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FINANCIAL TIMES

No. 27,261

Tuesday May 3 1977

** 12p



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NEWS SUMMARY

GENERAL

BUSINESS

London Equities docks to ease 2.1; gold up \$1½

EQUITIES eased as pay policy uncertainties deferred buyers.

London's docklands will be the main recipient of the £100m. aid for inner city areas. The FT 30-Share Index closed at the day's lowest of 420.7 down 2.1.

GILTS were barely changed, with doubts about a further cut in interest rates dampening market enthusiasm. The FT Government Securities Index was up 0.02 at 69.33.

STERLING edged up 2 points to \$1.7136 and its trade-weighted index improved to 61.7 (61.6). Dollar's trade-weighted depreciation widened to 1.21 (1.19) per cent.

GOLD rose \$1.50 to \$148.375. COFFEE prices fell sharply in London. Coffee for July delivery closed at £3.287 a tonne, down £28.5. Nearby

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Tate Gallery

Carl Andre's Bricks

by WILLIAM PACKER

The Bricks at the Tate have become, by now, a major feature in our contemporary folklore; indeed, so rapid was their enthronement in that little corner of the collective mind reserved for sacred monasteries, that it is hard to credit that barely a year ago no-one but a few artists and critics and their associates had accepted, as such by his peers: for it is part of the Tate's commission to monitor such activity.

This particular controversy, though now dormant, is by no means a spent force, and is only too likely to erupt with a surprising and even unnerving vehemence. That one event be so rash as to dominate one side of the debate. At one period it was enough simply to admit to being in some way professionally engaged with Modern Art (a dangerous admission at the best of times) to find the air suddenly full of acid and laevic verbal brick-bats raining down on one in heaps.

In such circumstances, a passing desire to turn up the cellar and run for cover is understandable. But defence is not to be achieved by default, and there comes a point when the case must be put, even though it might go unheard in the uproar. A year ago, our watch-dogs, excited by the discovery of a purchase that had been made public, in considerable detail, many months before, were in no mood to listen to anyone who might faintly hint their prejudices with information, or informed opinion.

To its credit, the Tate made the attempt, and certain specialist voices were raised in support; but a vocal speaking for the far from silent majority, cut short the argument, and the sculpture was withdrawn for repair.

Now, unrepentant, the Tate has built a small exhibition around the newly-launched Bricks, and the other works by Mr. Andre in its possession which remains on view in Gallery 19 until the end of May. The intention is to establish in the public mind that the artist, far from being an isolated figure, an opportunist who fits arbitrarily anyone he might buy, have enhanced that collection, and are idea to another, is in fact engaged soberly and steadily over several years with certain ideas and pre-occupations.

ABC, Belfast

Rigoletto

by ELIZABETH FORBES

The Northern Ireland Opera Trust's annual season at the ABC Cinema, Belfast, consisted of three performances each of *Faust* and *Rigoletto*, some in their respective original languages. Both these works have been presented by the Trust in previous years, but the new production of *Rigoletto* differed from the old in that it came from any other production of Verdi's opera held in the United Kingdom in recent years. It included an aria for Magda in the third act.

A printed copy of this short piece, published by Escudier of Paris, was found by Patrik Schmid in the Library of a Belgian collector. The copy is undated, but attributable from the plate-number to the period 1857-58. The text is in French, and Verdi may have composed the aria for the first production of *Rigoletto* in that language, which took place at the Théâtre de la Monnaie, Brussels, in November 1853. The first Paris performances of the French version, in the same translation by Edouard Duprez, were staged at the Théâtre Lyrique in December 1853.

The libretto issued in connection with these performances—copy was discovered by Andrew Porter—includes the text of the aria, placing it immediately after Sparafucile's "Go, see if he's sleeping; then bring down his sword" (Dent); Maddalena begs her brother to spare the life of the handsome young soldier (the Duke in disguise), pleading in more gentle tones and a steady line indicated strength of purpose. Janet Hughes made an attractive Maddalena; the aria, expressively sung, provided an effective contrast to the conventionally flamboyant side of her personality.

John Rath was a young, dangerous-looking Sparafucile, while Andrew Galacher, though lacking in vocal weight for Monterone's pronouncements, conveyed the man's implacable desire for revenge convincingly.

Claudio Desderi, known in London from La Scala's visit to Covent Garden as a baritone, he alternated as Dandini and Alidoro in *La cenerentola*—was a hindrance than usual. Anthony the conductor. He took the first Holland's designs for Mantua scene and part of the second at the Ferrier Prize were Dame

This is far from saying that Andre himself must be the definitive genius of the age, before the Tate, on our behalf, should consider acquiring his work, but rather he should show himself to be a representative exponent of those ideas, hard to credit that barely a year ago no-one but a few artists and critics and their associates had accepted, as such by his peers: for it is part of the Tate's commission to monitor such activity.

After all, there is little value in a sheet of canvas and a block of wood. But an obvious one to employ, then, even if the result is hideous, the visible evidence of it ignored; and in fact, it is as skill employed and work done helps to assuage the puritan conscience. The very thought that an artist should choose to investigate such concepts as flatness, or geometrical relationships, and structures, or

technique, stripping the process down to its bare essentials, is an obvious one to employ.

We should be surprised were

it ignored; and in fact, it is as

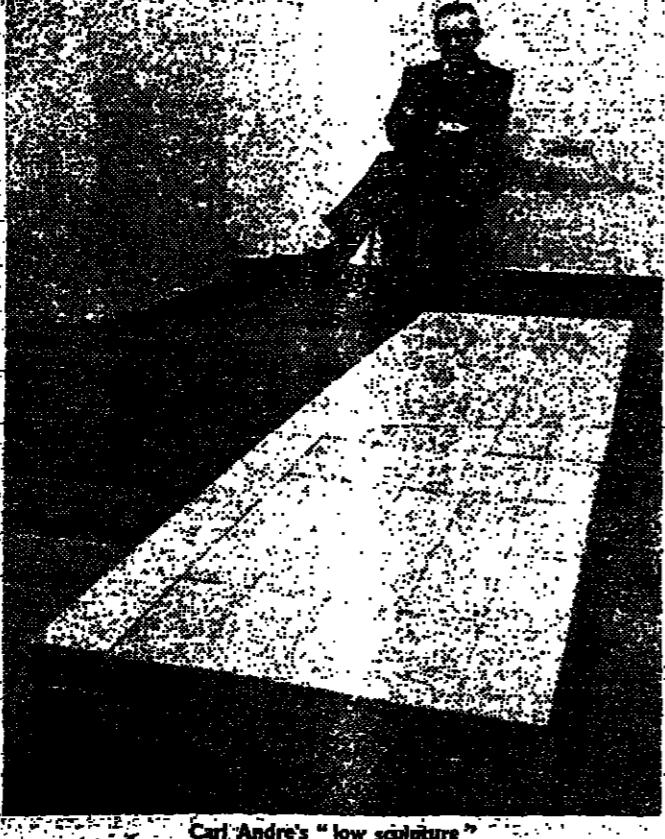
old in pedigree as the most ancient pottery. In our own time that path is well-trodden, and the debt an artist like Andre owes to such as Brancusi, Malevich and Mondrian is clear. And this modest didactic show makes the point with neat economy.

Andre's work apart, there is much else worth consideration: a fine, Frank Stella's of 1960, in which the simple, insistent linear image at last determines the physical shape of the entire work. A typical example of gloss. On Judas relief of 1972, set of massive slab-shelves with regular hemispheres protruding. Four mirror cubes by Robert Morris, set in a square, rather lower than eye-level, through which the floor extends itself into infinity, and what we see is not the floor but its reflection. And a grid-painting by Agnes Martin, whose retrospective exhibition will soon end at the Hayward. A suite of etchings by Sol le Witt takes the two diagonals, the vertical and horizontal lines, through all fifteen of them, their mutual permutations; and there is a large sculpture by him, two open-cubular cubes set together.

But the accident of notoriety dictates that Andre should be the centre of attention. An early piece, his Last Ladder of 1959, an upended timber post, crudely but regularly carved, is the more interesting for being unfamiliar to me at least, and it spills out the Brancusi influence.

The other two works deal with the sense of flatness, that came to Andre, by his own account, when he was translating the expansive of water. First of all is the Magnesium Square, 144 metal tiles that put a skin of mottled grey across the floor, inviting us to comprehend imaginatively what we walk upon.

And there are the bricks, in two layers, each 6 by 10, the whole being but one resolution of the choice in their disposition that 120 bricks presented to him. The alternatives are implied in the one demonstration: the artist suggesting the possibility as the poet might offer his thought and why should he not expect something for the copy-right?



Carl Andre's "low sculpture"

We hope for masterpiece of simplicity itself, is hard to take; he has no business dealing with ideas at all.

Art, however, has always been to some extent a celebration of itself; and it is hardly surprising that they should come a time, when the mechanics of Art, its vocabulary, its syntax, the whole scope of its grammar, should become subject to close examination. Such, to a considerable degree, is the case of the modern movement, and the reductive right?

After all, there is little value in a sheet of canvas and a block of wood. But an obvious one to employ, then, even if the result is hideous, the visible evidence of it ignored; and in fact, it is as skill employed and work done helps to assuage the puritan conscience. The very thought that an artist should choose to investigate such concepts as flatness, or geometrical relationships, and structures, or

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Purcell Room

Spectrum

by DOMINIC GILL

Lina Lalandi has not lost her knack of putting together programmes of rare and familiar music from past ages exuberantly conceived, splendidly performed. Her theme this year, beside the central theme of Bach is the French Baroque: imaginative canvas, amply filled. But it is sad to see the times all the same to see our once adventurous English Bach Festival—traditionally also the champion of living music in the early years even our sole substantial link with such composers as Messiaen, Stockhausen and Xenakis—confined for the first time this season, for all manner of reasons, chiefly financial, to one single concert of contemporary works.

It was given on Sunday night by Spectrum—an enterprising group, founded by their conductor Guy Protheroe in 1971, who devote their energies entirely to post-war music. It was an ambitious, unbalanced programme: an evening supported by only two substantial works, their force somewhat weakened and dispersed by the availability of richness of the other three. But whatever it is more important by far to contemporary music should be heard and played than that it should always be good. And by *Four Musicians* by John Marlow Rhys (1935), one of the two new Festival commissions, both of them written at very short notice, was a good piece: strongly made, organised with admirable clarity.

The scoring, dictated by the unusual combination of forces for Xenakis' *N'shima* later in the programme, was for cello, horn and two tenor trombones. The cello is the central instrument: a lyrical voice, by turns melancholy and frenetic, really caught the instrumental vocal timbre which Xenakis seems to envisage—the "voix paysanne, chaude, de gorge, pleine, ronde et homogène," which fires this music, brass against gut against flesh and breath. Nor did the performance succeed in capturing quite the full range of timbres: the burnt-earth colours, the rawness of sound—it's hardness and great sadness. But it was intelligently made, and by the conductor Guy Protheroe, carefully shaped. In time, no doubt, the steel spring I specially liked the whirling and toughness will come.

The evening had begun, genially, with *Linda-Agon* by Xenakis—a game for trombone, tuba and horn which I have heard played at least four times now, and which still leaves me (even after studying the rules) still wholly perplexed. Is it a plane? A bird? A joke? But it ended with some real Xenakis: a performance, not yet quite fully fledged but with good potential, of *N'shima* or two men, two trombones, two horns and cello. Neither Sarah Walker nor Margaret Cable really caught the instrumental vocal timbre which Xenakis seems to envisage—the "voix paysanne, chaude, de gorge, pleine, ronde et homogène," which fires this music, brass against gut against flesh and breath. Nor did the performance succeed in capturing quite the full range of timbres: the burnt-earth colours, the rawness of sound—it's hardness and great sadness. But it was intelligently made, and by the conductor Guy Protheroe, carefully shaped. In time, no doubt, the steel spring I specially liked the whirling and toughness will come.

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A FINANCIALTIMES SURVEY

NORWAY

MAY 17 1977

The Financial Times is preparing to publish a survey on Norway in its edition of May 17, 1977. The editorial coverage will include a discussion of the political background against which September's general elections will be held. It will also examine Norway's North Sea oil revenue expectations. Separate articles will be devoted to shipping, shipbuilding, the manufacturing industry and banking. The main headings of the proposed editorial synopsis are set out below.

INTRODUCTION Internally, Norwegians vote in September to decide the political flavour of a government that will be in power when oil revenues start to flow. Externally, Norway is involved in some delicate diplomatic manoeuvring over fishing limits, the Spitsbergen issue and relations with the Soviet Union.

THE ECONOMY Norwegians have been enjoying a steady improvement in real incomes throughout the recession but inflation, the strength of the Norwegian krone and high cost levels are causing problems for both the national economy and industrial concerns.

NORTH SEA OIL Exploration and development on the Norwegian shelf are progressing but there is controversy over both pace of development and the costs involved. Expansion into refining and petrochemicals is under way and talks have started with several countries on industrial co-operation in return for Norwegian oil and gas.

OFFSHORE SUPPLIES A surplus of rigs, either built or on order, has tempered the hopes of Norwegian owners and producers. Oil operations have had a smaller effect than expected on the labour market. But Norwegian companies have developed a very wide range of services for the offshore industry.

SHIPPING AND SHIPBUILDING Norwegian companies have been developing sophisticated new shipping technology after two lean years for owners and yards.

MANUFACTURING INDUSTRY The aluminium, steel, ferro-alloy, transport equipment and paper industries are all in a transitional stage: an electronics industry is taking shape. BANKING September's elections will finally determine the future operating conditions for the private banks. Meantime, political uncertainty has not prevented them from improving profits and expanding foreign business.

The proposed publication date is May 17: copy date is May 9 1977. For further details of the synopsis and advertising rates contact Miss Suzanne Ralph 01-248 8000 extension 201. The Financial Times, Bracken House, 10 Cannon Street, London EC4P 4BY. Telex: 885033.

FINANCIALTIMES
EUROPE'S BUSINESS NEWSPAPER

The contents and publication dates of all surveys in the Financial Times are subject to change at the discretion of the Editor.

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EUROPEAN NEWS

ROMANIAN RECONSTRUCTION

Cementing old ties

BY DAVID LASCELLES, RECENTLY IN BUCHAREST

TWO MONTHS after its shattering earthquake, Romania is of factories I was shown, work working round the clock to appear to be going on repair the damage with an efficiency which has impressed foreigners and brought quick results. But while the catastrophe may have given a spur to Romanians' well-known patriotism, it also appears to have soured the political atmosphere completed last year. At least a third of the damage will be paid for by public contributions, and Romania has received several million dollars' worth of aid and credits from the West, plus supplies and other help from East European countries.

The political impact, though, has been considerable. After ten days of euphoria when the whole of Romania rolled up its shirt sleeves for the relief effort, the leadership has clamped down tightly. Mr. Ceausescu has made tough speeches attacking internal trouble-makers and outside interference.

Dozens of older buildings are propped up with rough-hewn tree trunks and many will plainly have to be demolished later on. Scarce a building has escaped; even the massive Intercontinental Hotel, built with the aid of U.S. technology in reinforced concrete, has obvious cracks behind its sumptuous wallpapers.

But seen from out of doors, Bucharest looks more normal than one might expect. The pavements are full of shoppers, traffic trundles along the wide boulevards, and work on the new metro goes on.

The picture inside is more striking. Apologetic officials receive visitors in cracked and dusty rooms, with plaster hanging off the ceiling and builders hammering and painting next door. Some Government departments, like the Ministry of Foreign Trade, have had to be evacuated to new quarters several streets away.

The cost of the earthquake damage is now officially put at 10bn. lei (£500m. at the official exchange rate) with 1,500 dead and 35,000 families left homeless. But it is still hard to gauge exactly what the effect of it all will be.

With typical panache, Romanians say that their Five Year Plan will not be affected, and that industry is back to normal already. The Planning Commission turns away visitors "because there is nothing new to discuss." As far as foreign trade is concerned, the official line is that it is "business as usual" even though many foreign trade corporations were left without a roof over their heads. Significantly for the tourist areas was affected, and Romania is hoping that would-be visitors will not be deterred.

Disaster

But if word has gone out to play down the implications, nobody plays down the scale of the disaster. President Ceausescu has repeatedly called it catastrophic. The disruption, particularly for private individuals struggling to survive in shattered homes, must be considerable.

And it is plain that living standards will suffer. The reduction of the working week, originally scheduled for this year, has been put back a year. Workers have given up ten days' wages for the relief fund, yet they must make good all non-structural damage to their homes themselves.

There was also a drop in oil output from the Ploiesti region which lies near the epicentre of the quake. Specialists are still assessing the extent of underground damage, but officials recognise every day they expect to meet this party's right to map its own way forward.

This improvement follows last year's summit meeting between Mr. Ceausescu and Mr. Brezhnev, and an unprecedented string of top-level visits to and from other members of the bloc. It is all the more striking as only a year ago Romania and the Soviet Union appeared to be heading for an open quarrel over the disputed Bessarabian territories.

Some observers attribute the reconciliation to Romania's failure to cement closer ties with the Third World.

Privately, however, Romanian officials deny this, and say there has been a "qualitative" improvement in their relations with the Warsaw Pact countries. This is a strong term which implies that relations have got on to a new footing.

The reason, they say, is more explicit recognition by Moscow

of Romania's sovereignty and independence. They single out the Berlin Declaration by European communist parties last summer, in which the Communists and the Christian Democrats.

The performance of the Red Brigades at previous court hearings

has been described as "spectacular".

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Turkish Right facing defeat

ANKARA, May 2.

BY METIN MUNIR.

THE UPSURGE in political violence in Turkey comes at a time when the right-wing parties, which have enjoyed power for nearly a quarter of a century, are faced with a strong prospect of relinquishing it to the Social Democrats at the general election on June 5.

Mr. Bulent Demirel, chairman of the Social Democratic Republican People's Party (RPP), will win a ruling majority, or come close to it, at the election, it is generally believed here. The 51-year-old politician is backed by industrial workers and urban intellectuals as well as a growing number of peasants and poor city people. The right-wing Front was a means of using the opportunities of being in power to strengthen themselves. But because they could not reach a consensus on how to go about this the coalition grew intensely partisan, inconsistent, corrupt and weak. Finally, unable to cope with the situation any longer, Mr. Demirel last month formed an informal alliance with Mr. Necmettin Erbakan who was short-lived, however. Two months after the Cyprus war of June 1974, Mr. Erbakan resigned.

Mr. Necmettin Erbakan is backed by his commandos or "grey wolves", fanatic members of his youth branch, for its members, particularly

Deputy Prime Minister and colonel to deputy premiership chairman of the neo-Fascist National Action Party (NAP), became widely regarded as a commando street through his menace to Turkish democracy.

After this the political commandos or "grey wolves", Mr. Erbakan feels himself to be a threat to his life.

For the past two years the commandos terrorised the Left under the benevolent neutrality of the Government and the police, which was infiltrated by the neo-Fascists, and conducted a

private war of eradication against the Left-wing university students.

Early last week, Mr. Necmettin Erbakan, who was short-lived, however. Reliable reports indicate that

gangs using firearms and flinging stones in at least three towns.

Yesterday 34 people were killed another campaign to terrify

Mr. Necmettin Erbakan's supporters.

WORLD TRADE NEWS

U.S. EEC Japan quarrel over world steel report

BY STEWART FLEMING

THE U.S. GOVERNMENT has asked the Organisation for Economic Co-operation and Development (OECD) in Paris to set up a special study group to examine and report on world steel industries. It needs to be examined by the end of the month. The U.S. request, which was made last week and was due to be considered by the OECD on Wednesday, was supported in general term by the EEC and Japan. U.S. sources suggest that disagreements have broken out between the U.S. and Japan about the terms of reference for the report.

U.S. government sources say steel producers have frankly admitted that one reason for the decision to try to get an OECD study of the world steel trade under way is intense pressure from the U.S. steel industry. But officials argue that exports to Europe, U.S. steel companies have alleged that their concerns are much wider than the purely domestic.

Italy close to finalising \$1bn. barter deal in Iran

BY ROBERT GRAHAM

AFTER MORE than two years of discussions, Italian companies negotiating contracts for a large direct reduction steel plant at Bandar Abbas are close to finalising the deal.

The project, costing over \$1bn., will be financed largely by crude sales — the first such arrangement with Italian companies.

A big Italian delegation, led by representatives of the State steel concern Ialsider and the construction group Italimpianti, has been in Tehran. Sources close to the delegation hope to finalise all the details within the next few days.

Since originally conceived in 1973, the project has undergone several changes. Originally it was to have been one large contract involving not merely a 2.3m. ton steel plant, but a satellite town and substantial related infrastructure, costing some \$3bn.

Latterly the project has been broken up into separate parts. The satellite town has apparently been set aside, mainly it seems because the finance was not available in relation to local infrastructure. Instead the negotiations now going on are merely for

It is feared that the global steel industry recession, and the accompanying allegations of dumping of steel on international markets, and attempts by individual nations to protect their trade in steel by the end of the month. The U.S. request, which was made last week and was due to be considered by the OECD on Wednesday, was supported in general term by the EEC and Japan. U.S. sources suggest that disagreements have broken out between the U.S. and Japan about the terms of reference for the report.

U.S. steel producers have already filed complaints under Section 301 of the U.S. Trade Act. OECD study of the world steel trade under way is intense pressure from the U.S. steel industry. But officials argue that exports to Europe, U.S. steel companies have alleged that their concerns are much wider than the purely domestic.

NEW YORK, May 2.

The American Iron and Steel Institute has also commissioned a study of what it views as unfair cut-price competition in U.S. markets, particularly from Japan. It claims that Japanese imports were rising to close to 20 per cent of U.S. consumption in the fourth quarter of 1976. Companies involved have alleged that a proportion of these imports are being dumped at prices below those in their home market.

The U.S. itself is coming under pressure to start removing quotas imposed on specialty steels, while U.S. officials are concerned that French action to control domestic sales and distribution of steel production, will lead to further pressure on the U.S. market from imports.

It is against this background of conflict among steel producers that the decision to seek international control of steel trade was taken. The U.S. is arguing that the OECD should set up a study group to prepare the report without prior agreement on how the report should be used. For example, should the report be used as a basis on which a steel group in the OECD could make recommendations to the OECD council or trade committee or should the report be for information only?

Renter adds from Paris: The French steel industry will need to raise Frs.24.5bn. (\$2.86bn.) between 1977 and 1980. Steel Association President Jacques Ferry said: "This will comprise investments Frs.8.5bn. repayment of borrowing Frs.1.5bn., loans and interests Frs.6.5bn. increase in working capital Frs.4.5bn." Ferry said after a meeting between steel management and unions.

The industry, which made a total loss of Frs.2.3bn. in 1976, should lose Frs.2.5bn. in 1977, but will make profits of Frs.1.6bn. in 1978, Frs.3.4bn. in 1979, and Frs.4.4bn. in 1980, he added.

M. Ferry said that his estimates are based on a total 40 per cent increase in steel prices between now and 1980. The industry will need to produce 28.5m. tonnes of steel in 1980, against 23.2m. in 1976, rising to 32m. in 1980, he added.

Management has accepted the principle of retirement at the age of 60 for workers in the whole industry, and at 56 years and eight months in certain circumstances, M. Ferry said.

New Australia curbs on shoe, textile imports

BY KENNETH RANDALL

THE AUSTRALIAN Government is moving again to restrict imports of textiles, clothing and footwear because of the rising unemployment in import-competing domestic industries.

The Government has been reviewing the effectiveness of its current assistance measures to domestic manufacturers in view of the fact that their employment by January this year was more than 12,000 below the level of January 1976. It now says that "in the light of the current and projected market situations, present import quotas appear to be too high and are not providing the assistance necessary to maintain employment levels."

As a result, quotas now in force are being extended from 12 months to 18 months' duration. Whether or not there will be a supplementary allocation during the additional six months period will be the subject of a separate decision.

For clothing and textiles, current quotas will now run to August 31 next year. Footwear import licences are extended to June 30 next year.

In the meantime, the Government is asking its Industries Assistance Commission (IAC) for urgent advice, by May 31, on what supplementary quotas, if any, should be allocated during the additional six months. The IAC has been directed to make its recommendations in the light of new terms of reference given it recently for a review of long-term assistance to the industry.

The main points of these terms are that assistance should be such as to maintain existing levels of activity and employment in the domestic industries.

The Government's announcement of its latest measures says: "Importers should bear clearly in mind that if the existing employment and market trends continue, it would be necessary for the Government to allocate quotas for the additional six months period at an annual rate lower than that currently operating in the 1977-78 quota year, in order to provide an acceptable level of employment and activity."

It has now emerged, however, that many New Zealand manufacturers have entered into heavy commitments, based on the expectation of expanding and quota-free access to the Australian market.

New Zealand Government trade officials arrived in Canberra today to discuss acute problems created for their manufacturers of carpets, carpeting, ty cord fabric, wool textiles and spun yarns. A special protective import duty on tyres, due to expire last week, has been extended pending a review.

CANBERRA, May 2.

Japan and U.S. resume TV talks

TOKYO, May 2.

JAPAN AND THE U.S. have reopened working-level talks here on restricting Japanese colour television exports to the U.S. officials at the Ministry for Trade and Industry said.

Discussions are expected to cover the question of how far semi-finished products should be included in any programme of export restraint, the officials said. They added that this question caused the previous U.S.-Japan negotiations in Washington to stall.

Television industry sources said unassembled or partially assembled television sets accounted for up to 15 per cent of the 2.95m. sets exported to the U.S. in 1976.

Present indications are that the final stages of negotiations will be very difficult. Japan is apparently conducting the talks without accepting the validity of the U.S. International Trade Commission's (ITC) conclusion that its television exports have injured the U.S. industry and put U.S. jobs in jeopardy.

Agencies

U.K. bid for Nigeria ship order

BY ROY ROGERS, SHIPPING CORRESPONDENT

A SENIOR sales team led by Mr. Michael Casey, acting chief executive of British Shipbuilders, is to work to prevent widespread redundancies as existing build-holds for sizeable orders from £200m. to £250m. order for British shipyards.

Another team from British shipping lines which are trying to complete arrangements for their tonnage at relatively low prices.

This was disclosed yesterday by Mr. Chua Chor Teck, president of the Singapore Association of Shipbuilders and Re-builders (SASAR) in his annual report.

Revenue increased by 28 per cent on 1975 figures, taking it to Singapore £20m., 68 per cent of which came from shipbuilding and oil rig construction activities. The remainder came from repair work.

These figures serve to underline the dominance of the industry by the Far Eastern countries, especially Japan — which recently reported improved figures for last year — South Korea and Singapore. Expansion of shipbuilding facilities in these countries has been largely at the expense of the more traditional shipbuilding nations in Scandinavia, Europe and Britain.

Singapore shipbuilding output up

By Our Shipping Correspondent

SINGAPORE'S SHIPBUILDING output increased by 65 per cent last year at a time when the industry worldwide entered a period of recession due to overcapacity.

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Mideast container service

BY OUR OWN CORRESPONDENT

NEW CONTAINER services the Swedish Bostrom between the U.K. and Red Sea Company and the Norwegian Line and Saudi Orient Middle East of which are also members of the Scandinavian Middle East.

Line and Saudi Orient Maritime, the Stadouich container consortium, the Saudi flag shipping

between Europe and the Far East.

Scandinavian Middle East Saudi Orient Maritime (SOM) is due to introduce a regular operations from Tilbury liner service between Tilbury and Aqaba and Jeddah later this month. According to U.K. agents, it will be shared between at least two of the competing countries.

Back-up and training facilities offered by the three countries will be taken into account, as well as prices.

Although vital to the industry in Britain, the Nigerian tenders

Scamuel is owned jointly by suitable

ECGD business up sharply

Financial Times Reporter

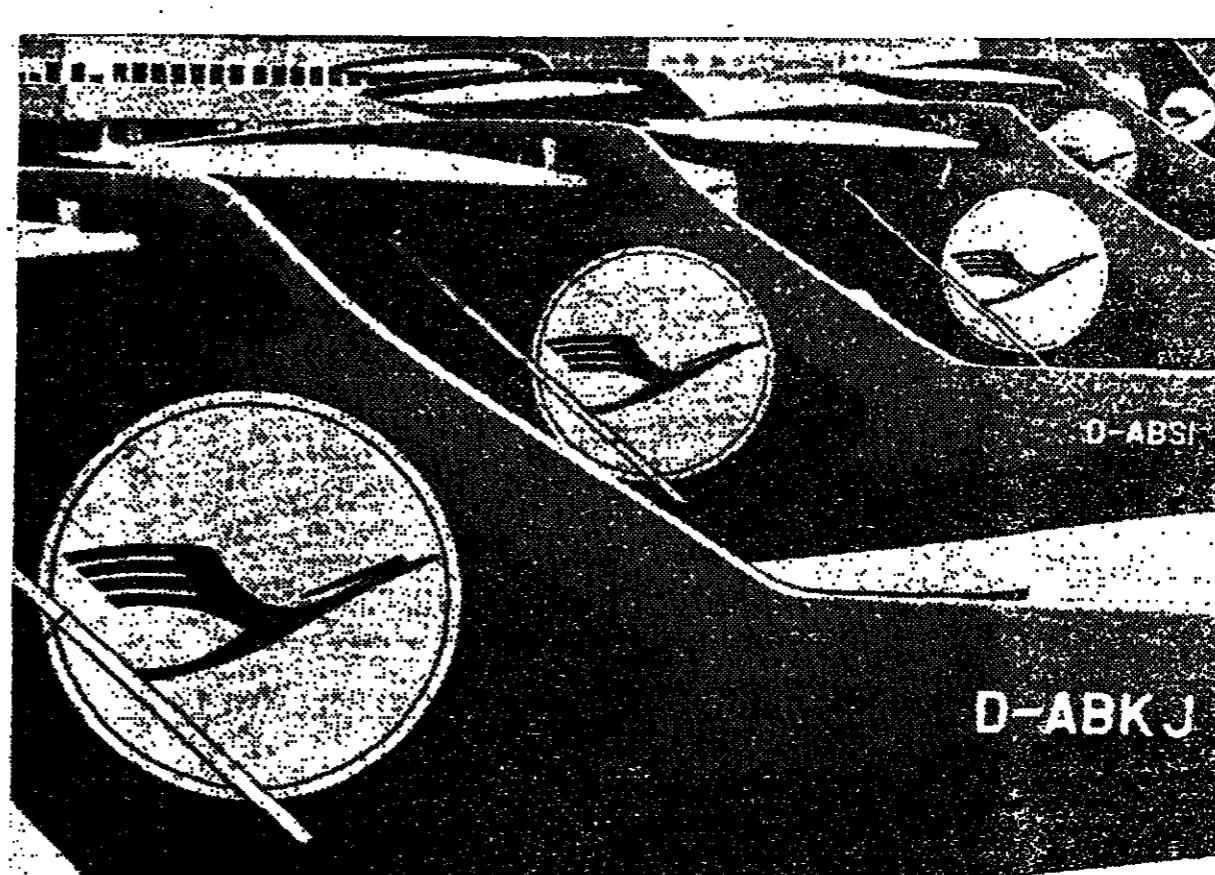
BRITAIN'S EXPORT Credits Guarantee Department reports an increasing volume of business with provisional figures showing the value of exports insured by the Department now running at £12bn. compared with a total of £8.39bn. in 1975-76. ECGD's underwriters are now handling over 5,000 credit limit applications a week. These new figures were given by Mr. Derek Smith, Head of ECGD's Comprehensive Guarantees Group.

Lockheed sale to Sudan

WASHINGTON, May 2.

THE U.S. DEFENCE Department has notified Congress that it plans to sell six Lockheed C-130 transport planes plus spare parts and support services to Sudan for a total price of \$74.4m. AP-DJ reports. Under the law Congress has 30 days in which to review and possibly block the transaction.

Our foreign staff adds: Sudan wants to replace its Soviet-made military equipment, which is wearing out, with western and, in particular, U.S. equipment. The sale of the U.S. transport aircraft, which

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DATED: April 26, 1977

HOME NEWS

Tories to seek cancellation of deferred tax

BY MICHAEL LAFFERTY, CITY STAFF

MORE ENCOURAGEMENT for an absolute maximum of small businesses, and proposals £3,000, should be raised in some for the abolition of deferred tax cases for older people so as to liabilities, are expected to be allow them to make adequate among the main features of the provision for their retirement.

Tories' attack on the Finance Bill, which is due to start its Committee Stage in the Commons on Monday.

Other amendments which the Opposition will table cover car tax benefits, the lump, overseas earnings, and retirement annuity relief for the self-employed.

The Tories will propose that the threshold for registration for VAT should be lifted from £5,000 to £10,000 on the grounds that the present limit has been overtaken by inflation and now involves far more small businesses in unnecessary paperwork than had been intended.

The Opposition is also likely to argue that the rules for grant-making are the normal course of expanding the tax exemption certificates to eight of such balances in their sub-contractors. The contractors in the construction industry are needlessly encourage a Socialist Government to expect it is unrealistic to ask for payment, or shares in lieu.

The Tories will call on the Chancellor to forgive companies these notional liabilities for ever, rather than defer them as at present.

Another relaxation which the Tories will be seeking covers the proposals granting tax concessions to employees who spend more than 30 days of their working year abroad will be criticised on the grounds that they discriminate in favour of one section per cent of a person's salary, up

Ninian platform takes shape in Loch Carron

THE NINIAN central oil production platform is taking shape in Loch Carron in the Western Highlands of Scotland in readiness for towing to the North Sea this summer.

The Ninian Field, which has an estimated 11bn barrels of recoverable reserves, is operated by the Chevron Group.

The structure will cost more than £110m. It is one of the largest concrete gravity platforms, writes Ray Dafter, Energy Correspondent.

The 1,600-strong workforce of Howard Doris at Loch Carron, close to Loch Carron, has been working round the clock in a bid to deliver the platform during this summer's fine weather—when such structures can be towed and installed safely.

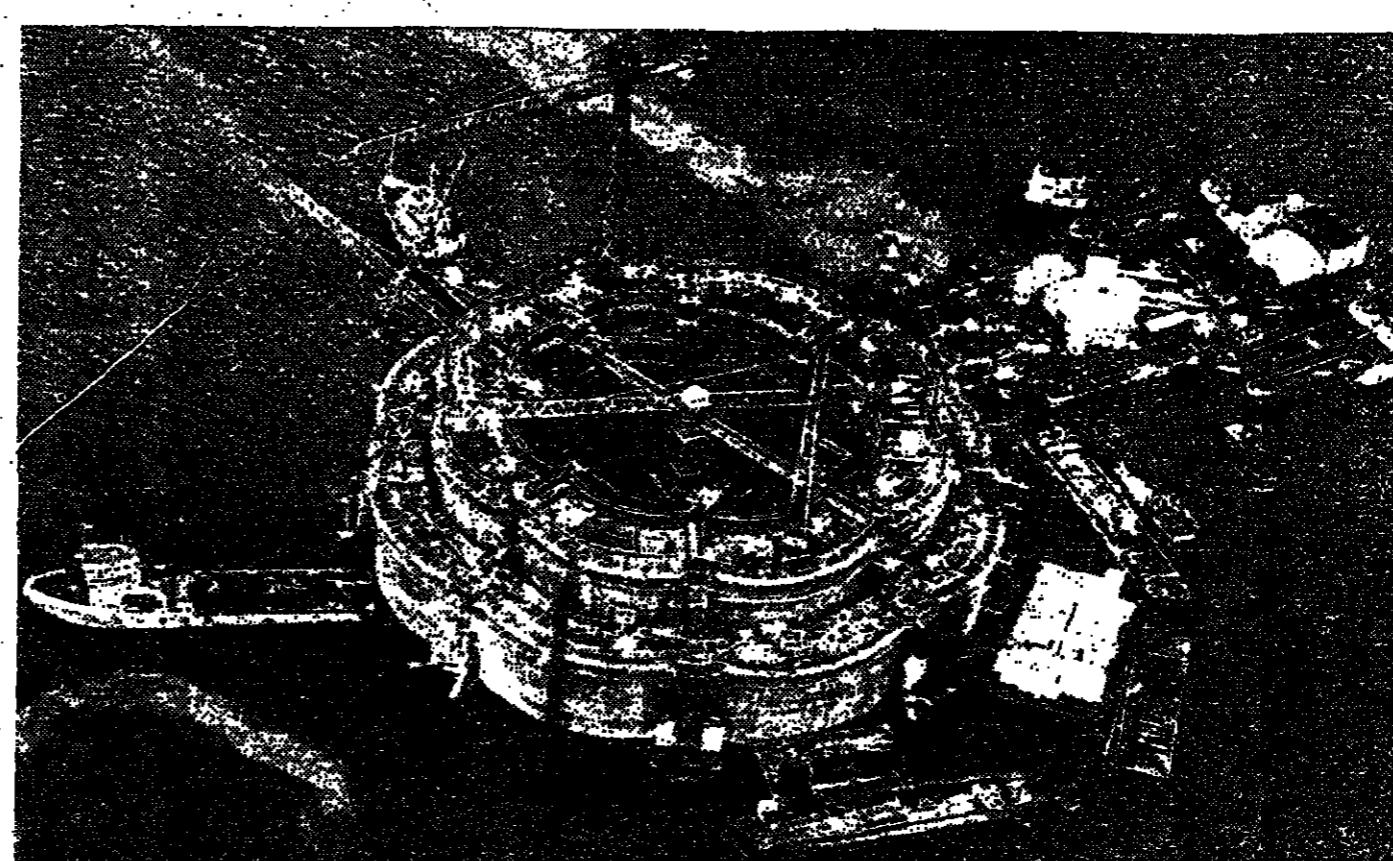
Contract

In July the platform, containing 350,000 tonnes of concrete, will be towed to the Inner Sound of Raasay where it will be ballasted low in the water for the installation of the steel platform deck. When the tow begins the platform will weigh more than 450,000 tonnes.

The tow, which will cover 430 nautical miles, is among the biggest towing operations ever.

Like a number of other U.K. platform constructors Howard Doris has been designing new types of production and offshore loading to meet the oil industry's demand for smaller, less costly structures.

Dr. Dickson Mabon, Minister of State for Energy, said last week that constructors of con-



crete platforms were likely to continue to face lean order books in the next few years.

Information gathered by the Department of Energy indicated that between three and five fixed platforms might be ordered in the next 14 months.

Three of those would probably be made of steel. The other

two could be either steel or concrete structures.

Tenders for what will be one of the North Sea's biggest steel platforms are expected to be invited in the next few days. Continental Oil is about to order a platform for the Murchison Field. Construction is scheduled to start at the end

of June with completion after 20 months.

Conoco, the operator of the field, said the group would decide in the next few days which yards would be invited to tender for the main contract.

Redpath Dorman Long's construction yard at Methil,

where the remaining 400 of the reinforced aware being laid off on May 20, is among those anxious to bid the contract.

Laing Offshore, on Teesside, is another looking for new orders although it has been forced to lay off virtually all its 1,800 workers because of the lack of orders.

March beer output up and imports down 18%

By Kenneth Gooding

SEVERAL SPECIAL factors boosted beer production in March, but the Brewers Society continues to insist that the underlying market trend is static.

March production was 2.6m barrels (at 288 units to the barrel), 8 per cent ahead of the same month last year.

Output could have been distorted by the fact that Easter was early in the year—the day-week in April—and buying for the holiday would have taken place in March.

Earlier in the month there was some stocking-up by large breweries, which convinced that the Chancellor would increase beer duty yet again in his Budget.

Another possibly significant factor was the 18 per cent drop in beer imports for March. Some of this would certainly have been accounted for by the decision of Carlsberg, the Danish group, to brew some of its high-gravity Special Brew Lager at the Northampton brewery.

As a result of the March performance, beer production in the first quarter showed a 3.6 per cent increase to 8.6m barrels.

This was after making adjustments to both the 1976 and 1977 figures for the growing impact of high gravity brewing.

Private house builders are less confident

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

PRIVATE HOUSE builders are less confident than ever about mortgage rate may help stimulate prospects for the rest of this year, late output further.

According to a survey of builders in March by the Department of the Environment, they price of homes on which mortgages were approved in the first three months of this year was earlier estimates.

A start is likely to be made on cent on the last quarter of 1976 about 145,000 homes in the and 7 per cent on the same private sector. The previous forecast was for 155,000. Last year For new homes, the average private starts reached 155,000 price was about £14,000, which is among the lowest annual totals 1 per cent higher than in the over the decade.

The survey was when building than 12 months before. For society funds were still depressed second-hand properties the average price of £13,200 was a 1 per cent increase in builders expectations from increase in funds three months and 7 per cent on reduction in mortgage rate, the first quarter of 1976.

National Westminster Bank

Rate Changes

NatWest announces that with effect from Tuesday, 3rd May, 1977, its Base Rate is reduced from 9% to 8½% per annum.

Its Deposit Rate on all amounts lodged subject to seven days' notice of withdrawal is 4% per annum.

Savings Accounts will now attract interest at 4% per annum.

All other rates remain unchanged.

Standard Chartered

announce that on and after 3rd May, 1977

the following annual rates will apply

Base rate 8½%
(Reduced from 9%)

Deposit rate 4%
(Reduced from 4½%)

Standard Chartered
Bank Limited

What was constantly on your mind last summer?

Are you really prepared to sweat out this coming summer the way you did the last one?

If not, you might think of installing an air conditioning system.

What an air conditioning system does is to draw the hot air out of a room, cool it, de-humidify and filter it, and

feed it back in, fresh and clean.

The result?

Suddenly you find you have more efficient staff, contented customers, improved efficiency, and better profits.

If you'd like to know the full details about the wide range of air conditioning systems, contact your Electricity Board.

They'll send you the latest air conditioning leaflet which explains the how, why and where, with examples.

Or you can ring Bernard Hough on 01-834 8828.

Or you can write to him at the Air Conditioning Advisory Bureau, 30 Millbank, London SW1P 4RD.

FRESH ELECTRIC
The Electricity Council, England and Wales

LABOUR NEWS

Civil servants to oppose new round of pay curbs

BY DAVID CHURCHILL, LABOUR STAFF

DELEGATES of over 200,000 pay levels in the private sector, clerical civil servants demanded a return yesterday to normal collective bargaining in the Civil Service, effectively committing their union, the Civil and Public Services Association, to opposing a further round of pay restraint when the present one expires this summer.

The CPSA civil service section conference in Southport, representing most of the union's 230,000 members, overwhelmingly instructed its leaders to press now for restoration of its national pay agreement after July 31.

The official policy line on pay and the social contract will not be decided until Friday, by the main union conference, including public service delegates from the Post Office and Civil Aviation section.

But yesterday's Civil Service conference decision is almost certain to be endorsed on Friday, making the CPSA, traditionally opposed to incomes policies, the first of the big white-collar unions this year to oppose a new deal.

Mr. Ken Thomas, union general secretary, said afterwards that "the vote clearly meant the CPSA would be against any Phase Three policy along the lines being suggested by the Government."

'Return to pact'

"We are against a Stage Three, and positively for a return to the Civil Service national pay agreement," he said.

Under this agreement, Civil Service pay is directly linked to the evidence of a Right-wing resurgence in the union.

Moderate defeated by less than 4,000

A RIGHT-WING bid to recapture the presidency of the Civil and Public Services Association failed narrowly,先生，

supported by the union's broad Left, held off the challenge from Mrs. Kate Losinska.

The moderates believe the 16-10 split in favour of the Left can be overturned to give a narrow Right-wing majority.

Even some Left-wingers were pessimistic last night about the outcome.

Mr. Lever polled 99,307 votes to Mrs. Losinska's 95,822.

Political rivalry is likely to come to a head on Friday, when Left-wing motions for substantial defence cuts could lead to a walk-out by delegates of 40,000 Ministry of Defence staff and eventually against his own union chapel.

The origin of the sense of grievance felt by Mr. Tether lay in the editorial control which Mr. M. H. Fisher, the editor, sought to exercise over Mr. Tether's Lombard column.

"Mr. Tether asserts that he had complete freedom to write what he liked, about what he liked, how he liked and in the hours of his own choosing."

He also asserted that the freedom of the Press was at the heart of his rights as a journalist.

Indeed, the editor asserted that his right as editor was in fact a guarantee of the freedom of the Press. No one, not even Government or political party,

could dictate to him what was

done with his work.

All 9,000 NUJ members on

weekly and local daily papers have also been called out during the same period.

News agency journalists' strike vote to-morrow

JOURNALISTS at the Press Journalists' emergency committee, which met yesterday, will decide to-morrow whether to accept a union instruction to strike in support of colleagues employed by the East Midlands Allied Press.

The National Union of

Journalists' emergency committee virtually all Britain's daily papers will decide to-morrow whether to accept a union instruction to strike in support of colleagues employed by the East Midlands Allied Press.

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FINANCIAL TIMES SURVEY

Tuesday May 3 1977

Word Processing

The savings that can be made through the introduction of word processing systems are now beginning to be appreciated in the U.K. New equipment and steady pressure to reduce costs are helping the concept to gain ground.

Idea starts to take hold

By Max Wilkinson

NOW THAT the cost of having an ordinary letter typed has risen to about £4 in the U.K. and up to £6 in Europe as a whole, it is surprising that the benefits of automatic typewriters are not being grasped more rapidly.

The vague and slightly off-putting connotations of the term "word processing" may have something to do with initial sales resistance. Some managers fear that it means the replacement of personal contact with a secretary by a robot system; others may still be confused about what, precisely, word processing can do.

Certainly the market for word processors in the U.K. continued to be sluggish during 1976 in spite of the presence of more than 20 companies marketing machines which, at the lower end, are relatively inexpensive. There were, however, some

signs of an upturn reported in the first quarter of 1977.

The basis of word processing is the ability to drive an electric typewriter or printer automatically from a pre-recorded memory. At their simplest, automatic typewriters costing £2,500-£3,000 churn out standard documents or form letters which can be made to appear personal by the addition of names and addresses and any special information by manual operation.

The secretary is thus relieved of the drudgery of lengthy copying, while the employer gains from the greater speed and accuracy of the automatic print-out.

The basic invention of automatic typing has been improved by the addition of sophisticated features aimed to give the machine access to larger memories and to give the secretary power to edit the text while it is still in electronic form. In all editing systems, the operator types directly into a magnetic memory. The editing is then done either from a rough draft printed automatically or in more expensive systems by changing words and paragraphs thrown up on a television screen or a visual display unit.

In the most advanced systems the basic word processor is linked to a company's computer files. In these cases individual customer's details like insurance premiums or pension rights can be inserted automatically into an otherwise standard letter and printed out at high speed. In such applica-

tions the use of a word processor may merge with that of a computer terminal, especially if a visual display unit is provided to allow the operator to "talk to" the computer in order to locate the correct files in its memory, and switch in a processing programme.

The improvements in productivity to be gained from word processing can be dramatic. One independent bureau calculated, for example, that the cost of producing a series of pro forma letters for one of its customers had been reduced to 18p compared with about 23 pence if they had been typed individually. In other applications, like answering mail orders, the use of standard pre-recorded paragraphs used by the beginning of 1976, representing a total market of some £13m. last year. However, the British are well behind the more advanced countries of Europe in their acceptance of word processing, possibly because labour is relatively cheaper than in, say, Germany where the typists' work or Sweden. Shortages of capital included a fair proportion of and a general conservatism among British office managers. On the other hand, the benefits have also been advanced as inhibiting factors.

More generally, offices could expect to double productivity of text processing in Europe is Germany which represents 40 per cent of the total compared with about 50 per cent of the U.K. word processing market. In the next decade that the productivity of its own estimates by consultants Frost & Sullivan put the total value of word processing equipment in Europe at £2.5bn., three times the present value.

These estimates may well prove over-optimistic if the record output of typists on paper a large number of possibilities is opened up.

However, it is equally clear that the relative slowness of the British to automate office processes may have serious implications. For office costs represent a significant proportion of the price of many finished goods. In world markets, therefore, U.K. companies will find that the ability to stay competitive will depend increasingly on capital expenditure in the office as well as on production.

These common pieces of office equipment like the electronic calculator.

It would be wrong however, to be over-sanguine about the prospect of the word processing industry at a time when nearly half of all typewriters sold in the U.K. are still mechanical rather than electric. It is evident that many offices have a large imaginative as well as financial bridge to cross before they are ready for the technology which is now available.

saves much time. Dataplex, one of the two British companies making word processing, for example, claims that its "buffered keyboard" allows corrections to be made from a draft copy quicker than on most VDUs.

The buffered keyboard is simply a device which delays the printer a few lines behind the part which the secretary is actually correcting. In most VDU systems the print-out is delayed until a whole page has been corrected. No general rules can be laid down since a great deal will depend upon the match between a user's requirements and the specification of individual machines.

Difficulty

One difficulty is that the technology is itself moving at such speed that it is very difficult for many managers to decide what equipment to buy. Electric typewriters and printers, for example, vary in speed from about 15 to 90 characters per second. The decision of whether

to buy a machine which prints six times as fast is not governed by the economy motive will be highest, since many of the letters would have otherwise been typed individually. But

In some applications, like the processing of insurance claims, the economy motive may be mainly speed that it is very difficult for many managers to decide whether they are seeking to use word processing merely for economy, or to improve the quality of output, or as is most likely, for a combination of both.

In some applications, like the processing of insurance claims, the economy motive may be mainly speed that it is very difficult for many managers to decide whether they are seeking to use word processing merely for economy, or to improve the quality of output, or as is most likely, for a combination of both.

Output

It is perhaps less obvious that the general competitiveness of U.K. industry will in the long run depend on major improvements in productivity which are now possible in Town and County Hall offices and the big Government bureaucracies. So far local government has shown almost instantaneously. In addition to providing access to large company files, word processors are therefore capable of providing a wide network within and between companies similar to that of the telex.

The widespread introduction of word processing could, however, result in a significant reduction in the office size and cost of integrated circuits is certain to bring all these developments within the reach of relatively small companies within the next few years.

Matchbox computers and stored in the memory. When the cost is several thousand pounds per unit the decision better quality should be an may be extremely difficult. It is essential preliminary to any still a debatable question purchase of word processing equipment.

OLIVETTI ANNOUNCE THE WORK PROCESSOR.



See inside for full description

Behind that familiar Olivetti keyboard the new TES 501 system contains the right combinations for today's demanding office.

Plasma Display

From a start, you can use TES 501 as a sophisticated text editing system.

It's the only system of its kind with the unique Olivetti red letter display, for word entry, editing and amendment.

As well as displaying a line by line record of the words entered, the display also guides and corrects the operator.

Daisy Wheel

Then, when all your entries are correct, TES 501 gets to work as a high speed automatic typewriter.

The quiet compact printer types 350 clear crisp words per minute, with the quick change daisy wheel giving a wide choice of type styles, patches and spacing.

Unlike some systems, Olivetti's TES 501 can print either single sheets or continuous forms, automatically and without supervision.

Floppy Disks

TES 501 is also an impressive filing system. The double disk unit gives it a powerful memory for all the tasks you want to tackle. With a storage on each floppy disk of up to one hundred pages, and a random access time of less than one second, TES 501 will search for and supply typed copies of all your previous correspondence.

You can use it too for storing customer lists, research, company records, all the information you need in your office.

Info Retrieval

Change the floppy disk and turn TES 501 into a powerful information storage and retrieval system.

If you then want your data cross-related, analysed or updated, TES 501 will do the job in seconds.

TES 501 is a sophisticated system, but it's simple to understand and operate.

Into one sleek stand-alone desk, Olivetti have packed all the advantages of much larger word-processing systems.

It's the word processor that you'll want working for you.

Olivetti TES 501. The Work Processor.

To Peter White, British Olivetti Ltd., 30 Berkeley Square, London W1X 6AH.

Please send me the special issue of Olivetti's SYSTEM journal reviewing the latest developments in word processing.

Please arrange for me to see Olivetti's TES 501 system at work.

Name _____

Title _____

Company _____

Address _____

Phone _____

olivetti

The Word.



The Wang family: Word Processor 10A, 20 & 30.

If your company or department produces financial reports, proposals, specifications, contracts, manuals, personally addressed mailings... if you are into word processing, or just have paperwork problems... consider our family. With the Word Processor 10A, 20 & 30, Wang allows you to custom-tailor a word processing system to your needs. Small or large. You can select a system that fits your needs now, and that can grow with you as your business expands. Wang Word Processors give you a systems approach to word processing, the latest in microprocessor design and operation, so easy it is nearly self-teaching. And, Wang gives you the advantages of video screen, diskette, high speed printer word processing, at prices comparable to old fashioned typewriter based machines. Compare us, free of charge, and learn why Wang is indeed the last word in word processing. Ring or write today for details and a demonstration.

Wang Electronics Limited
Argyle House
Joel Street, Northwood
Middlesex HA6 1NS
Tel: Northwood 28211

What the international press says:-

ELECTRONICS NEWS

"Wang led a number of companies in introducing CRT-based text editing systems last week, hoping to cut into IBM's domination of the word processing market."

WORD PROCESSING REPORT

"The new market trend in WP typing equipment is the hybrid stand-alone/shared-logic system... This seems like a very good idea with a lot of merit. Of the manufacturers which are heading in this direction, Wang seems to have taken the lead... Wang had the most impressive product introduction."

"Wang's Word Processor 20 and 30 are diskette-based systems which offer modularity, expansion, performance, and pricing advantages never before available from a WP manufacturer. This is no idle boast, and probably has more validity than we are accustomed to most such boasts having."

WANG

The last word in word processing

You gave us the language. Let Lanier show you a better way

America's leader in spoken word processing brings to the UK the finest multi-usage range of dictating equipment and systems ever.

That's because Lanier makes only dictating equipment. Not computers, copiers, music centres, TV's etc. etc!

This single-minded dedication has produced equipment with unequalled high fidelity sound, simple controls, lightweight portability and good looks. And whether you're a one man business or a multi-national organisation there's a Lanier model to help you get more done. Anything from the travelling Pocket Secretary, to full integrated, tailor made systems.

So before you listen to anyone about dictating equipment—listen to Lanier.

Listen to it in your own office FREE for 3 days. Without obligation.

Call Katy Fletcher at 01-736 0171 to arrange your FREE trial now. Or send in this coupon.

<input type="checkbox"/> Have a representative call to set up a free trial	
<input type="checkbox"/> Please send details on Lanier dictating equipment	
Name _____	Position _____
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Get more done with
America's No 1
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WORD PROCESSING II

Weighing up the pros and cons

COINED BY IBM some years ago to describe the functions of a group of its office products, computer-driven equipment accept lengthier texts, liable to being used with an interactive unit, with some logic and magnetic TV type display.

memory, the expression word processing now applies to very many more methods of handling the production of texts. Some are suitable for the average businessman, others are clearly applicable only to the largest companies, or to those who—like publishers and legal firms—demand of their equipment not just the ability to produce standard letters, but to handle long texts with very fast retrieval of any passage under discussion.

As in many areas involving advanced electronics, the word-processing market has been undergoing rapid changes, particularly since large-scale integrated circuits, of which microcomputers are a sub-set, have come down to a few pounds per device. Large-scale in this context is a particularly misleading term since one of the latest and most powerful micros is only 34 square millimetres in area, yet contains 10,000 transistors.

Controllers

Be that as it may, it means that the controllers for the great majority of the most advanced word processors can now fit into a medium-sized cigar box. So far as most users are concerned, the controllers remain black boxes and the operators neither know nor care how they achieve their results but only how well they and the equipment they drive work.

But buyers of equipment or services have to discriminate, or find that their choice is not only wrong but downright wasteful of time and more costly than a non-automated solution. And at first sight there is a bewildering array of solutions to select from. They cover the whole gamut from the apply, but to a lesser extent, typewriters equipped with electronic memory, magnetic cards, tape cartridges, magnetic discs, single machines or clusters run by a minicomputer or a micro.

The same considerations apply, but to a lesser extent, in the case of magnetic card equipment and also to the more restricted forms of tape cassette and cartridge installations. Where a company needs to have many standard letters on

several languages, say that office staff, not particularly conversant in one or other tongue, to be used in a particular campaign, could nevertheless see to it that the flow of correspondence was not interrupted.

Where a company needs to have many standard letters on

time and to produce long reports liable to a large number of amendments, such equipment is invaluable, though a case can be made for magnetic tape and cartridge units when speed is not vital.

Also to be considered is a choice of a shared system in which a "general purpose" central machine is used to provide storage and instructions for automated typing, either under the control of the company or of a service bureau offering shared time.

The general area of application of such a solution appears to be where several authors are turning out lengthy manuals or reports. Whether this solution will be supplanted by the local mini or micro-driven unit remains to be seen. The problem has a great deal in common with computerised typesetting about which a great deal is known outside Britain.

For the average small to medium business office in large cities, one more point needs to be remembered. According to Philips, one-third of the U.K. working population is now employed in offices. But per capita investment in equipment

there is £500 against £5,000 in general industry. If the present upward trend in the white collar population continues and city centre costs continue to rocket, then it is worth while getting the standard letter—now costing at least £2, whatever its length—absolutely right first time round.

Latecomer in word processing, with five years' development behind it, Eindhoven giant could well take over where 'lesser try fall. This is not always an enviable position to be in since the previously uninitiated have suddenly become over-critical. But if marketing ability is the final solution to word processing, then Philips may well be the only European left in the four world companies who are expected to dominate the word processing market in the next five to ten years.

Ted Schoeters

Typing and copying

IN LAST November's American presidential elections the television debates between Gerald Ford and Jimmy Carter were captured on word processing equipment and transcripts were available to the news media and the public within two hours of each debate.

The word processing concept is supposed to have been originated in Germany by IBM. But it has grown and developed in the U.S. where market penetration is already quite deep, after only 15 years. To-day, word processors, or automatic typewriters as they are sometimes called, are already outselling electric typewriters in the U.S. The whole society has been permeated with word processing so it is not surprising that the main political event of an American election should be the subject of a WP exercise.

The exercise is a classic example of how to combine centralised dictating equipment with electronic typewriters that capture texts and then reproduce them automatically after editing.

Although IBM has by far the largest share of the WP market in the U.S., it was not IBM equipment that was used in this particular exercise. The transcriptions were made by the National Business Intelligence Corporation using its Simulkeype system which combines the Vydec word processing hardware and Dictaphone endless loop tape recorder transcribers.

As described in the U.S. magazine "The Office," the television networks transmitted each debate over telephone lines to NBI Headquarters. Each debate was divided into four sections and recorded on different dictating machines. The four tapes were then transcribed using earphones by operators who began transcribing the second section while the first one was being printed on the Vydec WP machines.

Four editorial teams checked the output for spelling and punctuation and reviewed the format on a CRT display terminal. The revised draft was sent by courier to an outside printer for offset printing and binding. The transcripts were done with 99 per cent accuracy at great speed and are admissible as legal documents in the U.S.

The speed of operation (two hours) compares with the day and a half required to transcribe the 1960 Kennedy-Nixon debates when WP was not used. This is the input and is normally far more efficient than the one-to-one system employed by British executives who generally prefer to have a real live secretary sitting opposite them while they dictate their business correspondence. Dictation on a machine can be done at any

time in or outside the office and thus lead to better use of time. (On the basis that executives who make best use of their time reach the top quicker, it should not really be surprising that the man in the train dictating into a machine normally sits in First Class—or the car passenger dictating into a machine normally sits at the back of a Rolls-Royce).

Of course, dictating machines are not always satisfactory for secretaries who often become simply audio typists sitting in a centralised pool and transcribing the texts. Some girls actually do prefer this type of mundane work, but for those who prefer variety and responsibility, some job rotation should be introduced or, at least a ladder of career progression clearly indicated.

In some organisations, incentives are linked to output. Otherwise the potential of improved office productivity will be lost by uninterested staff.

If dictating equipment is the input, WP typewriters are the output.

First, the text is transcribed by the girls on to the typewriters and automatically captured both in the paper (or screen, depending on type of system used) and on the magnetic storage, which can be cards or discs or a small computer.

Certain prepared paragraphs or whole letters can be nominated according to the skills of the dictator and the library of prepared texts. Thus a dictator might simply say, "Now use letter 'A' to send to Mr. Smith but add the following sentence..." Letter "A" will already be in her WP machine and all she does is press a button.

If she makes any mistakes in transcription, all she does is overlay with the correct information. When editing or re-drafting has been completed in turn by both dictator and transcriber, the letter is printed automatically by the machine, because it is already recorded on the magnetic media.

If further copies are required, the WP machine can type them out, unattended. Or the organisation can switch to copiers or duplicating systems and can even complete the system by having an automated mail room operation at the end of the line. The possibilities are almost unlimited.

This idea of a compact and self-sufficient configuration has

Launched

IBM was the first to offer dictating machines and copiers alongside its WP systems. Xerox

now offers its WP systems alongside its copiers and duplicating systems. Philips, the leading company in dictating equipment in the U.K., recently launched its WP system. Leading U.S. manufacturers of sophisticated dictating systems such as Dictaphone and Lanier are already in the U.K. market. Olympia offers both dictating equipment and WP machines.

Assmann sells centralised dictating systems alongside the Redaction WP systems from Business Data Products, now part of the Hill Group.

But the severe drop in the market last year had its casualties, too.

Agavox, the last of the U.K. manufacturers of centralised systems, ceased selling dictating systems in 1976 and has decided instead to concentrate on its success with telephone answering machines.

This happened after a market drop of nearly a quarter in U.K. installations from the 1975 level, and an even greater fall in installations of recorders. Even desk-top machines suffered, although sales here were higher than in 1975, they were well below the peak figure of 75,000 units in 1973. Only portable units set a new record, with sales of 77,000 units in 1976. So the message has got through to some users. But this year could begin to see a meaningful recovery in the market.

Roy Levine

WORD PROCESSING III

The challenge to IBM

THE WORD processing market is beginning to move out of recession, and at a faster rate than the U.K. economy in general. After three years of steadily declining sales—but rising competition, with new entrants every few months—demand is at last increasing, marked by higher sales for each of the past two quarters.

In general, the number of installations has probably risen by a full quarter. But some of the leading manufacturers boast increases of 50 per cent. and more. IBM, the biggest in the market (with just under 50 per cent. of the total installed base of some 7,000 installations), reckons its sales rate has more than doubled and figures for all WP products, including the new Office System 6, are above target.

Reason

This is one reason why interest in this month's National Word Processing Exhibition and Seminar at the Cunard Hotel in London should be at a much higher level than last year's maiden event. The fact that this exhibition, which is attracting most of the leaders in the market, is the only specialised event of its kind outside the U.S., the world's leading WP market, signifies growing interest in the U.K. The U.K. is increasingly becoming the centre point of many U.S.-based companies for expansion into Europe. But there are also more fundamental reasons why the U.K. is potentially one of the biggest markets outside the U.S.

Only a few years ago, a market survey in Europe showed that whereas virtually everyone who worked in offices in Germany knew something about word processing, the degree of awareness in the U.K. was paltry.

It was estimated that only about 12 per cent. of office staff in the U.K. had some knowledge of word processing.

Given the enormous effort by the equipment companies over the past few years to educate people concerned with office administration, this awareness has increased and it is IBM's guess that about a quarter of office staff now at least know of the existence of word processing.

This consciousness has grown job reward, both in terms of market in Western Europe will result of burgeoning competition.

Given these caveats, the over the next 10 years. An even potential growth in the U.K. is higher figure was postulated for enormous. For a start, the white collar sector is growing fast, as Science Corporation. Of course, the economy develops. It seems if we go back even three years, to be an economic fact that before the recession started, wealthiest and most developed countries have the highest proportion of workers in the office have been several times larger or service sectors. The U.K. than it actually is. But leaving proportion of a third is about actual figures aside, it seems the same as in Germany and certain that there will be good way below the 40 per cent. dynamic growth in the low

But the steady rise should be a growing market place. As IBM's share may well drop, in most other sectors of the U.K. and the giant already admits to economy, many organisations are still overmanned despite current levels of unemployment. Figures can show cost savings of 50-100 per cent. and in some cases even higher. Typing pools in some of the nationalised industries have managed to increase their work load while cutting the typing pool by half by natural wastage after installing only a handful of WP machines. On the basis that one can save the cost of a typist with each WP machine installed, the investment will pay for itself within two years. Most organisations handle the situation through staff wastage rather than creating immediate redundancies, although given the relatively low proportion of unionisation in the white collar sector, the problem is not as acute as in industry. At least that is the position at the moment, but it could change given the very rapid rates at which unions are recruiting members in the white collar sector.

The positive side of the coin for employees is that as WP becomes more widely used, new category of secretary is being created. The special skills that are accumulated using WP machines (although in most cases, after only a few days training) can improve job satisfaction, although this is not always the case and is one reason why the take-off has been so relatively slack in the U.K.

Some organisations have already created special grades for WP operators. There is indeed concern that implementation of WP systems should be expected to approach the \$1bn. for several years.

Various estimates have been made of the growth potential of WP in Europe, and they basically follow the patterns already established in the U.S. where trend of costs is likely to be demand has mushroomed to the downards and the speed of delivery will increase, at least on the day after the message was written.

The technology for such a system suffers from several inherent disadvantages. It is that machines from different makes are not compatible. An established in the U.S. where trend of costs is likely to be demand has mushroomed to the downards and the speed of delivery will increase, at least on the day after the message was written.

Even if this disparity is not corrected, there are sound reasons for believing the U.K. market will grow apace. There is a clear need to reduce unit costs in the office and to streamline operations. This cannot be done without the proper hardware, and organisations are increasingly willing to adopt the modern techniques of handling the enormous paper flow. It is this willingness that is now beginning to reflect in the market.

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its enormous resources and technological ability. Olivetti's new WP systems are likely to push this leading European manufacturer into a stronger position and increase its market share, probably into double figures.

WP has a relatively long sales time and required substantial back up in servicing, training and often close client liaison. So the big companies are likely to move into front positions in the next few years.

One of the key developments will be the role that government plays in developing the market. To date, most government product company and cannot hope to hold onto its second portion of workers in the office have been several times larger or service sectors. The U.K. than it actually is. But leaving proportion of a third is about actual figures aside, it seems the same as in Germany and certain that there will be good way below the 40 per cent. dynamic growth in the low

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WORD PROCESSING IV

New range of uses

IT HAS BEEN said that the word processing is a wonderful used for the more complex job simple office computer could do invention looking for a use of text editing, it seems likely this for him. The linking of magnetic disc storage will data from different offices, if evolved from the very become standard on equipment could indeed provide a much different field of computer processing of numerical data such as accounts.

Once it was realised that the digital pulses used to encode figures in a computer could also be used for storing letters, words and sentences, the way was opened for powered typing. This development has brought word processing in a few years from being mainly an aid to typists to a stage where fully computerised letter writing is an economic proposition even for the medium sized business.

The rapid advances in technology make it likely that selling companies will have a continuous job thinking up new applications for years to come. This is partly because many of the greatest potential savings will come from using equipment linked to a relatively powerful office computer. This is because the work done by the simpler word processing machines overlaps with what can be produced more cheaply by duplicating and printing. This overlap is becoming more marked as the part of duplication improves.

It is, for example, possible to produce standard pro forma letters or documents use letters on a good duplicator or plain paper copier which look similar to an original typed pealed, acknowledging receipt any extra operations. Sales copy. If the same typewriter is used to insert the customer's name and address a very presentable "personalised" letter goods or services are all in a magnetic store. The advantages are clear.

The advantage is that letters typed out for customers, can often provide information for the files without the need for a great deal of revision. Even after the most to be interested in.

Mackintosh Consultants say in their study on word processing that the average typist makes a mistake every 150 key strokes and the subsequent correction takes a minute. When

all mistakes and revisions are taken into account, it is estimated that on average every letter is typed twice. Text editing systems cut out a great part of this waste.

Another use for magnetic disc storage is programmed or composite letters which are rapidly gaining popularity.

Such letters depend on the fact that even non-standard business

letters or documents use letters on a good duplicator or plain paper copier which look similar to an original typed pealed, acknowledging receipt any extra operations. Sales copy. If the same typewriter is used to insert the customer's name and address a very presentable "personalised" letter goods or services are all in a magnetic store. The advantages are clear.

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However, it is worth remembering that in all cases where a typist is handling an executive's original work, the productivity of any word processing system must be limited by the typist's input speed. It is therefore self defeating to buy expensive word processing equipment if executives are between 4 per cent. and 16 per cent. if the letter is typed longhand. Even shorthand to letters of complaint from a series of pre-recorded paragraphs. It may be argued that many replies to complaints, like acknowledgments or promises of further investigation, represent a mere routine which can be computerised.

But such is the power of even quite small computers that once started, it is difficult to be sure where that argument will stop. The fact is a letter of complaint is an attempt at personal communication with a person or organisation. And there is a good case for arguing that, except in trivial cases, it should be answered personally. This is just one example of the vigilance needed to ensure that word processors do not undermine human contacts between people in large organisations and the outside world.

Probably the greatest gains particular client or customer. from word processing will, however, result from linkages to an offer, or many lawyers' office computers which are contracts are examples. Special libraries of pre-recorded texts are increasingly being used for processing accounts and other already exist for such purposes records. The computer is being asked to do some of the minimum disruption to the general price bracket, the agent normal office routines. Magnetic tape or discs can, of course, be files, or in some cases try to identify what he has to offer

Max Wilkinson



The IBM Word Processor/32 which automates many jobs often done manually on a typewriter.

Replacing the secretary

THE SUCCESS of failure of any plan to introduce word processing into an office will depend to a great extent on the attitudes which secretaries and typists distribute the money more widely by buying a larger number of less advanced machines?

They have to ask as a background to this decision: should the secretary be subordinated to the capabilities of the machine, or the machine supplied for the convenience of secretary? Some companies, especially those that are larger and richer, will undoubtedly come to accept that the word processor is a convenience which can be expected to be idle for much of its life rather than a piece of capital equipment only justified if it is in constant use. Electric typewriters, dictating machines and even office copiers are regarded in this light. They all free the secretary from routine work and give her (or him) more time for other, perhaps more interesting work.

It is certainly true that automatic typewriters can relieve operators of the chore of repetitive work. It is also true that editing facilities allow them to produce a perfect copy without time-consuming retyping of drafts to correct the errors made by the boss. There is quite a lot of evidence that secretaries do gain satisfaction from this ability to produce higher quality work for less effort.

But there are inherent problems of integrating word processors into an otherwise traditional office which need to be recognised at an early stage. The most obvious is the problem of redundancy which may follow any system which uses capital to increase efficiency. Even in an expanding office, careful thought will be needed to ensure that the extra capacity provided by word processors does not outstrip the work load by too great a margin. If it does, some secretaries may have too little to do and become bored and restless. If too many people become idle because it appears that a machine is doing their job better than they can, morale is likely to suffer.

These questions raise the old issues of whether individual executives really need personal secretarial servants in a more acute form than ever before. For the small office computer can already perform many of the functions for which the old fashioned secretary used to be considered essential: filing, personal memoranda, data retrieval, communication and even keeping an engagement diary can all be wholly or partly automated, and the list of electronic aids is certain to increase.

The commonest solution has been to banish many of the typists to a pool, sometimes under the control of a "dragon" or female sergeant-major. Un-doubtedly audio-typing pools

can be highly efficient and with the right personality in charge, happy places to work in. Electronic aids are now being developed to increase the efficiency of typing pools. Executives can pick up a telephone and dictate straight into the pool. A microcomputer, then appear from the finance switch its dictation to the girl director's point of view; this who has least work on her tape, scheme of work will create a different "takes" can be low-grade, possibly unsatisfactory switched between girls as the need arises. Some functions of the "dragon" are now auto-

processing machine will find itself by this system. Editing she is not only given the most and revisions can also be made boring jobs, but her skill in more efficient if the girls are executing them is downgraded using word processors rather than ordinary typewriters. In

Meanwhile, the other secretarial systems, indeed, all the others who have been relieved word processors can be interested in their share of the typing connected so that they can share choices, may not necessarily be a central storage or processing using the extra time in a cost effective way.

This example is perhaps a little extreme, but it illustrates the general dilemma faced by office managers when deciding what word processing equipment to buy. Should they go those cases inefficiency can be

Links with computers

A COMPUTER consultant well known in Europe through his work on systems design and analysis in one of the companies connected with the Diebold organisation and who now has set up his own consulting group—Butler, Cox and Partners—sees in word processing the birth of a new industry formed from an amalgamation of three existing and fast developing industries—computing, communications and office automation.

David Butler, predicting for the fledgling a growth in vast volume and pervasive effects in other branches of industry as well as business and Government, bases his views on the entry several years ago into the telephone exchange market of IBM, which till then knew little of that branch of industry or equally important, of the art of negotiating with the PTTs.

To-day, with IBM's associate company Satellite Business Systems preparing to test transmissions between computers at large IBM centres in the U.S., using a satellite as the communications hub and 250 of IBM's electronic exchanges installed or on order in Europe alone, the competition, says Butler, is wearing a worried front.

He sees in this a move towards becoming the world's first, largest and possibly only

supplier of total systems for the and take over from a series of production and processing of automatic typewriters used, so far, to produce personalised letters.

In other words, the aim attributed to the company is to move to a position from which it will be able to say to customers: "We will look at what your organisation needs, worldwide, to conduct day to day operations in its offices, factories, workshops, depots and even retail outlets and provide all the computing and communications required to keep local and international management continually abreast of the functioning of the entire network of companies within the group, wherever they may be."

This may sound fanciful and since SBS has formally stated that it has no plans to move outside the U.S., a trifle futuristic. But many observers believe this to be the pattern for the future and the telecommunications companies have been bringing out, one after the other, electronic PABX units to vie with IBM.

Announcement

What this has to do with word processing is implicit in the February announcement by IBM of new office computer

equipment—System 8—and its

Word Processing 32, and indica-

tions in late 1976 that the

company was putting its massive

research effort behind a fast,

simple facsimile machine which

would transmit at up to 50 times the speeds now possible.

From this device to an elec-

tronic mail service via the com-

mon carriers on wire and, by

satellite is only a short step and

immediately any move to estab-

lish such a service takes place

in America—where the postal

services are as bad if not worse

than in Europe—there will be

immense pressure from busi-

nesses within the EEC for a par-

allel programme in Europe. It

takes about an hour to fly

from Heathrow to Charles de

Gaulle. It can take ten days

for a letter to come from Paris

to London.

Already Cithcill in the U.S.

has bought 300 Level-6 mini-

computers from Honeywell on

which to base a word pro-

cessing network linking its major

centres around the world. The

bank is doing its own develop-

ment with word-processing soft-

ware written by Base Informa-

tion Systems; incidentally for a

Honeywell Level-6 with a

Hewlett-Packard display and

keyboard and a Diablo printer.

Meanwhile, Honeywell itself is

thinking along word processing

lines with the intention of de-

veloping equipment that will

link into large central pro-

cessors.

In Britain, the £700m Brad-

ford and Bingley building

society has just spent £55,000

on a Wang Electronics 30WP

network which will have up to

14 work stations and printers

to look almost as if, at last,

IBM is using its technological

muscle to judge things this

way. For instance, a few months

ago it disclosed that patents

had been sought and granted on

a magnetic bubble memory

which, in a device about the

size of a florin, will store

enough information to drive an

automatic typewriter. A little

later, the company made public

the work it had been doing on

ink jet printing, a method which

dispenses with the complexities

of mechanically transporting an

ink ribbon across a printing

mechanism and replaces them

with the complexities of spraying

fine droplets of ink from a

head and guiding them into the

correct shape to form a letter

by electrical fields.

This ink jet printer made its

appearance in the Series

6/WP32, launch mentioned

If, as some observers believe,

IBM is beginning to use the

technology it has accumulated

during the past five years at an

expenditure of, say, \$60

to harass the competition,

apart from out-marketing it,

then we are all in for a lively

time.

Ted Schoeters

If you are thinking of word processing

You should think about:

- *The machine that is the simplest to learn and use.

- You will want all your typists to be able to use it.*

- *The machine with a high throughput. You will want cost effectiveness rather than time consuming embellishments.

- *The company with the widest range of machines.

- Not all applications are the same.*

- *The machine that is BRITISH & BEST.

D2100 Pre-programmed machine

D2900 Programmable machine

think Dataplex

dataplex
magnetic card systems

Dataplex Limited
34 Beddington Lane
Croydon, Surrey
Telephone: 01-681 7521

M.W.

Our new word processing system can print 920 words a minute. And that's one of its slower functions.

It processes more than words

The new IBM Office System 6 doesn't just bring a new speed and ease to word processing.

It also speeds up an even more time-consuming feature of office work: information and record processing.

Office System 6 maintains and manipulates office records electronically.

So material such as lists, reports, directories, customer files, schedules and inventories can be retrieved in seconds. And revised in minutes. Rather than hours.

1 page or 130

Office System 6 gives a choice of two storage media.

One is the familiar IBM magnetic card, holding about 1 page of text, and suitable for letters and memos.

The second, newer medium is the IBM diskette. It holds 270,000 characters (about 130 pages), and is ideal for long documents and records.

Since diskettes are removable, they give unlimited storage.

And since they hold so much, they extend the system's working memory, giving it greatly increased formatting ability.

Yet it takes only 2 seconds from keying to access any item on a diskette.

Type on screen, not on paper

With Office System 6, your secretary virtually dispenses with paper handling.

That's because her keyboarding is recorded on diskette or card. And simultaneously displayed on a visual display unit.

This unit makes her life remarkably uncomplicated. She can see exactly which point in the text she's reached, and each revision she makes.

It offers her formatting options.

It even guides her through each step in a piece of work, however complex.



Keyboarding is recorded on diskette or card. And simultaneously displayed on a visual display unit.

This unit makes her life remarkably uncomplicated. She can see exactly which point in the text she's reached, and each revision she makes.

It offers her formatting options.

It even guides her through each step in a piece of work, however complex.

It also plays teacher. By displaying a special training program when she's new to the system, or has forgotten a procedure.

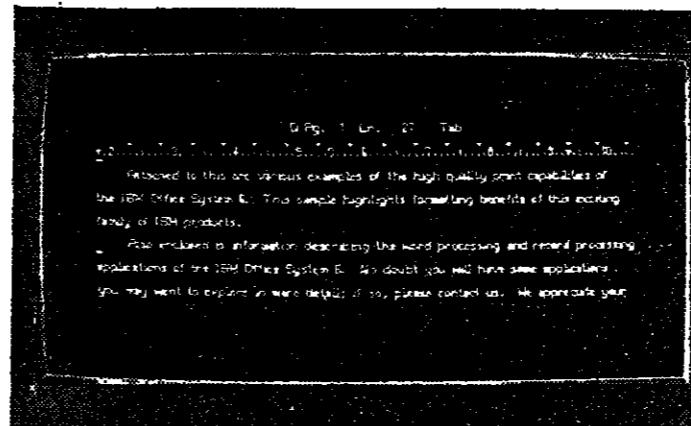
New ink-jet printing

There are two forms of automatic, high quality printing, with Office System 6.

Impact printing on a keyboard unit; at up to 160 words a minute.

And on ink-jet printer, which quietly forms up to 920 words a minute (actual print speed 92 characters a second).

This printer can give your documents professional looking proportional spacing and justified right hand margins.



Visual display makes typist's job easier.

Letters are formed at up to 92 characters a second.

It can change typestyle and typesize in mid-printing.

It can also automatically feed and stack paper and envelopes.

And while it's printing, your secretary's free to carry on with more keyboarding, or other tasks.

Communications option

By using a communications feature, Office System 6 can communicate with another System 6 elsewhere. With other IBM keyboards. Or with a suitably programmed computer. At speeds up to 2400 baud (approximately 200 characters a second).

You can send information to another part of the building, or another branch, town or country, for quality printing on their own keyboard unit or ink-jet printer.

How do you want it tailored?

There's one more feature we were careful to design into Office System 6.

Flexibility. You can use Office System 6 with all

the facilities mentioned so far. Or with only a few. And it's compatible with your current IBM magnetic card equipment, to which it therefore brings new power.

A discussion with your IBM representative will soon determine which configuration will keep your secretaries happiest and most productive.

We haven't stopped at System 6

We have also just introduced the new IBM Word Processor/32.

Based on the IBM System/32 computer, it combines word and information processing with data processing.

It uses three storage media. Cards. (Which can be originated off-line on existing IBM magnetic card typewriters.) Diskettes. And fixed disk, which holds up to 13.7 million characters.

This vast capacity makes it particularly suitable for heavy batch revision work on long documents and reports.

(For example, you can revise a particular word or phrase throughout a document by just one instruction.)

It has a visual display unit. And prints upper and lower case at up to 80 lines a minute.

We're exhibiting at the Exhibition

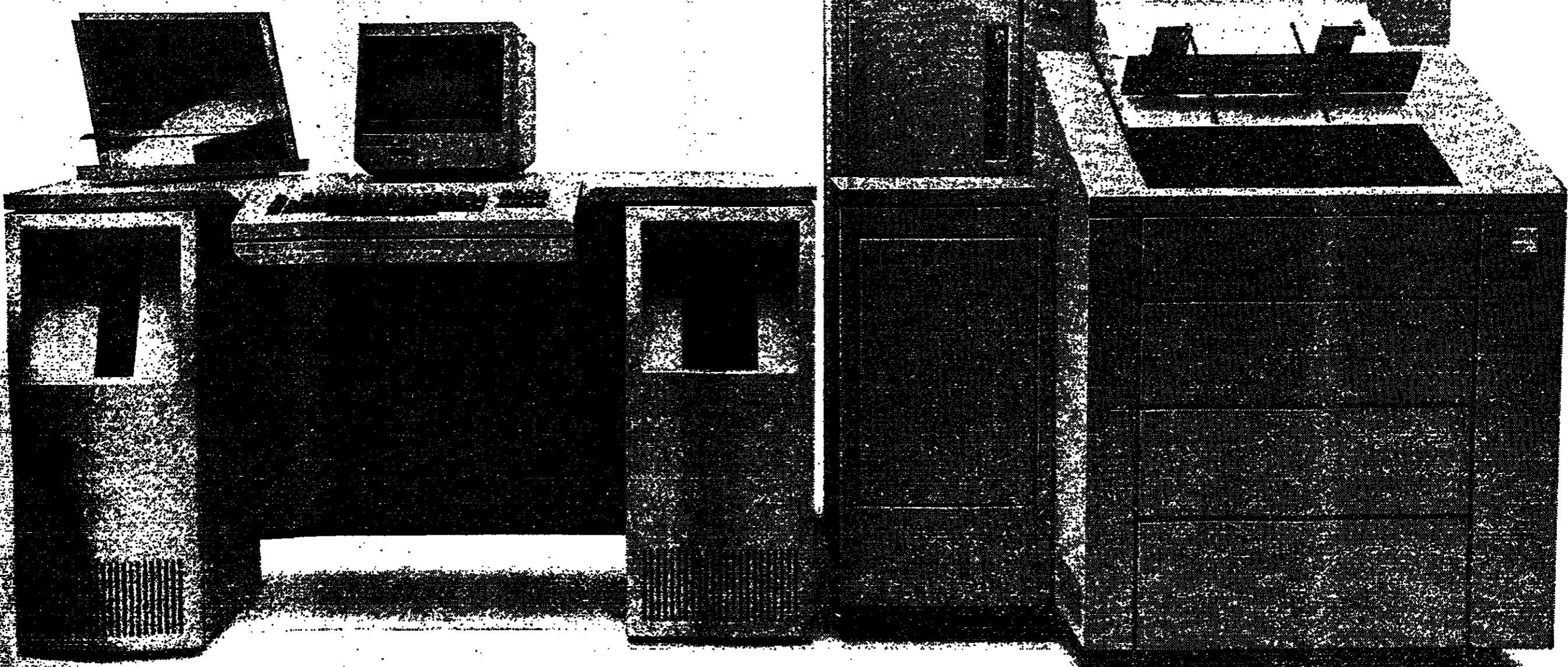
Office System 6 and Word Processor/32 will be demonstrated at the 2nd National Word Processing Exhibition and Conference.

This will be taking place at the Cunard Hotel, London, May 10–May 12, 1977.

If you can't make the Conference, phone the IBM OP Sales Desk (01-995 1441 Ext 4541/4059), for details or a demonstration.

IBM
Word Processing

The new IBM Office System 6.



PARLIAMENT and POLITICS

Majority of 6 on rural transport**Minister survives salary challenge**

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

BY A MAJORITY of six (293-287) the Government last night survived a Tory vote of censure in the Commons despite the fact that the Liberals and the Scottish Nationalists went into the division lobbies with the Opposition.

The vote was on a Tory motion to reduce the salary of Mr. William Rodgers, Transport Secretary, £1,500 as a protest against the Government's handling of rural transport policy.

The Liberals—although they have been operating a pact with the Government—voted with the Tories in order to demonstrate their opposition to the proposed 5p a gallon increase in petrol duty.

"We believe that the Government has demonstrated on this particular issue that it just does not understand the problems of rural transport and the effects of ordinary working constituents," said Mr. David Penhallion, the party's transport spokesman.

The Liberals decided to oppose the Government despite the fact that Mr. Rodgers had announced during the debate that the Government hopes to allocate more money for rural transport. He also indicated that he wants to see some relaxation in the system of public vehicle licensing in rural areas.

This would make it easier to introduce private bus services or less conventional forms of

Support

For the Conservatives, Mr. Norman Fowler, shadow Transport Secretary, claimed that the Government had heaped more and more burdens on the motorist since it was returned to office in February 1974.

"Over the past months, the Liberals have shown a mixture of timidity and inconsistency as we went on." They appear to believe that they have influence when everybody else realises they are being taken for the biggest ride in political and transport history.

"If their word on petrol tax means anything at all, it must mean that they will support this motion to-night."

"In particular, they should support it because the petrol tax and the cost of motoring are only part of the case against this Government on rural transport."

Replying for the Government, Mr. Rodgers said that within the next five to ten years, rural

transport such as post buses or rural transport could be transformed for the better.

"I regard this as a high priority for any Government."

Mr. Rodgers told the House:

"His group are expected to agree to remain a key issue on our agenda."

He outlined the White Paper on transport which is now due to be published in the first week of May.

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Mason promise of firm action receives support

BY PHILIP RAWSTORNE

THE STRIKE, called by militant Ulster Loyalists for midnight last night would be economically disastrous for Northern Ireland, Mr. Roy Mason, Secretary of State, told the Commons yesterday. It would destroy the business confidence essential for foreign investment in the province, he said.

Mr. Mason told MPs that a general strike would also divert security forces from their main task of combating the Provisional IRA whose aims included the disruption of the economy. He warned sternly: "The Government will not be coerced. They will help the community to resist bullying tactics."

The United Ulster Action Council, which included most of the Loyalist paramilitary organisations, was seeking a confrontation with the Government and Parliament, he declared.

Mr. Mason, given all-party support in the Commons for his stand against the militants, said that the Government would deal firmly with any disruptive action that might be taken.

There may be attempts by intimidation to prevent people going to work. This activity is clearly illegal and a matter for the police.

The Royal Ulster Constabulary would act against any form of illegal activity, calling on support from the Army, if necessary.

"If there is disruption of Dr. Paisley's role in the affair

public utilities, the Government had been "disgraceful" said Mr. McMillish. "Is it not his duty to mitigate the hardship and inconvenience," he said. "As a last resort, specialist servicemen are available to maintain minimum services essential to the life of the community and of individual citizens."

All the Ulster Defence Regiment had been called up to assist regular troops and further reinforcements had arrived in the province.

For the Conservatives, Mr. Airey Neave, pledged full support for the Government in any "strong action" needed to prevent intimidation of workers.

Mr. James Molyneux, leader of the Ulster Unionist group of MPs, appealed to Mr. Mason to use every means to alert the people of Northern Ireland against "the trap of deliberately organised confrontation with the Government and Parliament," he declared.

Mr. Mason agreed that Dr. Paisley was abdicating his responsibilities. He had described the Connacht as a "charade" and appeared to be in the grip of the para-militaries.

But Mr. Mason told the Liberal spokesman, Mr. Clement Freud, who suggested that the strike was more an act of treason than "loyalism," that leaders of the major Loyalist parties in Ulster had "courageously opposed this act of civil disruption."

Amid gasps of surprise from the Tory benches, Mr. Gerry Fitt, leader of the Social Democratic and Labour Party, called for assurances that strikers would not be paid any social security benefits.

Had Dr. Paisley been warned that he was likely to be brought before a court on criminal charges if he pursued his present course? Mr. Fitt asked.

Mr. Mason said that the Government had exploited the situation, the Government—given the powers proposed in the new Price Commission Bill—would take action.

With Mr. Dennis Skinner (Lab.) leading the way, anti-Marketellers on the Government benches attributed most of the responsibility for rising prices in Britain's membership of the EEC.

They welcomed the weekend speech by Mr. Hattersley in which he called for major changes in the Common Agricultural Policy as belated recognition that even pro-Marketellers were beginning to realise the penalties of entering the Common Market.

Mr. Hattersley conceded that the CAP had played a part in inflation of the last three years, retail prices had increased by 72.9 per cent. since February 1971—but had not been half as great a factor as other things.

He believed that the prospects for a fundamental change in the CAP were there.

GLC ELECTIONS**Hattersley insists policies are right**By Ivor Owen,
Parliamentary Staff

RECENT BY-ELECTION losses suffered by the Government have largely been the result of price increases," Mr. Roy Hattersley, Prices and Consumer Affairs Secretary, said in the Commons yesterday.

But he insisted that there would be no panic changes in Government policy and reaffirmed his belief that the pace of inflation will begin to ease in the autumn.

This view was challenged by Mrs. Sally Oppenheim, shadow Prices Minister, who pointed to the unusually high level of price increase notifications in the latest Price Commission report.

There must be serious doubt, she said, whether price increases would either stabilise or fall over the next six months.

The Secretary of State also saw the need for more community bus services run by local volunteer drivers in the absence of conventional bus services.

Such services should be exempt from the need to obtain public service vehicle licences.

Mr. Hattersley replied that there was no question at all that the retail price index would remain at or about its present level for the next three or four months, to reduce from the autumn onwards, and that this reduction would continue through the winter to 1978.

He stated that the latest monthly rise in retail prices was 1 per cent. and the latest year-on-year increase 16.7 per cent.

Mr. Hattersley again cast doubt on the value of an annualised figure based on the most recent increase in retail prices over three months—19.9 per cent.—and stressed that it would not be statistically valid as an indicator of the trend.

In a series of complaints about the exploitation of consumers by the Tony Benns, Mr. Michael Heath (Lab., Peterborough) condemned the practice of some shops in refusing to sell coffee in smaller amounts than a half a pound, costing £1.19.

Mr. Hattersley thought only a minority of firms tried to take advantage of commodity price increases and recalled that the Price Commission had been asked to examine margins on both coffee and tea.

Exploited

Pressing for more effective action to find out what the real profits of some companies were, Mr. Christopher Price (Lab., Lewisham W.) complained that Brooke Bond/Oxo had increased the price of tea in many of the supermarkets in his constituency by up to 300 per cent. in the past six months.

Mr. Hattersley assured him that the Price Commission report on coffee and tea would be completed as quickly as possible. But it would not be a half-rate or shoddy job because politicians were pressing for a quick report.

It would be dishonest to pretend that there was much the Government could do about the increased price of commodities as they entered the ports. But,

if the Price Commission revealed that some companies had exploited the situation, the Government—given the powers proposed in the new Price Commission Bill—would take action.

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Errors Bill attacked by lawyers

Information for April 1977 is not yet available. The internal purchasing power of the pound sterling in March 1976 is estimated to have been about 55 per cent. of its value in April 1974. The amount required in March 1976 to have internal purchasing power equivalent to £1,000 in April 1974 is approximately £1,710. These estimates are based on movements in the General Index of Retail Prices.

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Mr. Tony Newton (Con., Braintree) said that many people over 65 years of age had incomes below their tax thresholds at the latest date for which figures are available: How many of these people were single?

Mr. Robert Sheldon, Financial Secretary, the latest figures available relate to 1974-75 when there were about four million people over 65 not receiving tax.

Husband and wives are counted as one unit. Of the total about three million were single, widowed or divorced persons.

Mr. Alec Woodall (Lab., Hemsworth) asked what was the cost of the present tax concession on luncheon vouchers? What is the present concession for tax purposes in respect of luncheon vouchers? What is the amount to which it would need to be increased in order to restore it in real terms to the original value established in recent years?

Mr. Robert Sheldon, by extra statutory concession, the first £50 of the value of a meal voucher is not subject to tax. The cost of this concession is about £13m. a year. On the basis of the change in the retail price index, the present equivalent in real terms of 12½p at the time the concession was introduced in 1948 is 56p.

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The Management Page

EDITED BY CHRISTOPHER LORENZ

Leyland Cars: the case against a radical reorganisation

BY TERRY DODSWORTH AND GEOFFREY OWEN

ONE OF the most diverting bridge, while another looks has become over-dominated by lunchtime games of the last year after the engine manufacturing finance men. The new tech-sounding off about the troubles Jaguar assembly works both at Leyland Cars how they would come under the same operation. Most of the problem. Most of the radical director.

them have one pat answer. These developments have un-

organisation should be split questionably led to a loss of

into more manageable units, purpose and a sense of be-

responsibility should be pushed down in the Leyland

workforce. Since the reorganisa-

tion two years ago, this feel-

ing has been compounded even

more by two additional re-

vamps and reshuffles. Many

wards creating independent

Leyland workers leave one in

companies, so that, if necessary,

no doubt that this chopping and

the volume car side could be changing has led to a gradual

dropped without affecting the weakening in management-

specialist cars; but this "Weak management goes back

in the ability of Rover-Triumph says one supervisor of many

and Jaguar to survive on their years' standing in one of Ley-

land's larger plants. "It has

European motor industry does

gradually get weaker until you

cannot get a direct command

without going away from the

plant. It has been a shambles in

the last two years. I think that

manufacture of a particular

car or marqué and operating as

semi-autonomous profit centres

declined. I don't think the idea

would give employees a sense

of loyalty to their own company."

On the one hand this would

bring the industrial relations

advantages of the "small is

beautiful" concept, and on the

other keep alive the threat of

specific closures if performance

fell back within a plant or a

particular group of plants.

Leyland does not have local

plant organisations in this

sense any more. As the old com-

pany management teams are

brought up—and the process is done. Overmanning has been

now virtually complete—work compounded by the rapid ex-

changes in the Midlands are

pansion of staff departments to

gradually losing the sense of handle more sophisticated sys-

tem identification they once had tens of financial control and

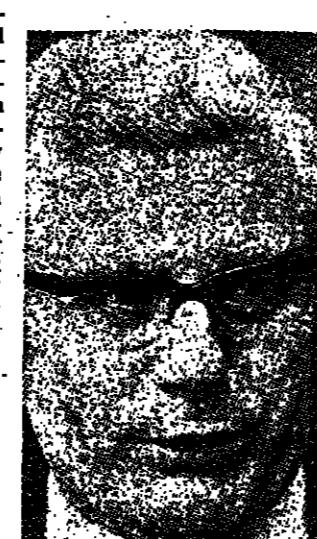
with their range of cars. The industrial engineering

present structure means, for

At the same time, according

example, that one man runs the to many people in the produc-

assembly operations at Longton departments, the company



Alex Park, the chief executive. His job could be merged with that of the managing director.

the essential job of getting the cars out.

"Management comes down to people," is how one production manager puts it, "and to run a group of people you need experience on the factory floor. The biggest problem in Leyland is that you don't get enough support as a production man."

The defence against this kind of reaction is that Leyland is now right in the middle of a period of fundamental change which is inevitably upsetting for many people in a 120,000-strong organisation. It is argued by a strong faction within Leyland that the company is essentially on the correct course, and that all it needs is more time to overcome its problems.

These are the arguments the National Enterprise Board, Leyland's major shareholder, now has to consider as it examines the new plan the company has recently drawn up which indicate that it would like to stay on a broadly similar course to that already established.

The difficulties caused by the reorganisations have in themselves created strong arguments for continuity. "There have been too many reorganisations," says one production manager. "I don't believe in shuffling things around any more. We have had two reorganisations in the last 12 months. All that happens is that everyone gets confused, while the effect on the plants is minimal."

Another manager talks about the demoralising impact of managers changing their jobs

in Leyland. "It's like a game of musical chairs," he says. "We've got to get rid of the old system and start again."

In addition, the stock of Derek Whittaker, the managing director of Leyland Cars, whose future has come under intense speculation since the toolmakers' dispute began in February, is beginning to rise

Initiative

There has also been a big psychological change in the way Leyland personnel now recognise that they are in an international business which is dependent on reaching international standards.

In respect, the Think Tank report, by drawing attention to standards overseas, seems to have made an impact, and several Leyland employees have now visited Continental car works under the initiative of the tripartite committee of Government, employees and unions.

"Our work pace is much higher than in most Continental plants," says one Leyland manager. "But we simply do not utilise our machine tools as well as they do. If we could get the utilisation of capital which they get on the Continent there is no doubt we could be competitive with anyone in Europe."

In addition, the stock of Derek Whittaker, the managing director of Leyland Cars, whose future has come under intense speculation since the toolmakers' dispute began in February, is beginning to rise

Business books

Planning and Profit in the Urban Economy, by T. A. Broadbent. Methuen and Co., £6.50. This aims to explain the current crisis in planning in the U.K. and shows how the British experience highlights the general problem of planning in a mixed economy.

Beyond Bureaucracy, by Derek Sheane. Management Research, £1.20. This short report examines the current state of modern complex organisations.

Down the Road, by Sarah Cox and Robert Golden. Writers and Readers Publishing Cooperative, £3.50. This book sets out to bring alive the realities of unemployment and by analysis and argument seeks to provide a tool for those involved in struggles for the right to work.

Communication at Work by Barry Maude. Business Books, £8. This book examines specific techniques for communicating with shop-floor workers and white collar employees, and ways of winning their co-operation and support.

Economics and the Environment, by Allen V. Kneese. Penguin Books, £1.20. In this book Professor Kneese examines the reasons why pollution becomes a pervasive problem at a certain stage in economic development.

Inflation, by Michael Jefferson, Thomas Mann, Andrew Dickson White and Walt Rostow. John Calder (Publishers), £5.95 and (paperback) £2.25. This sets out to show how inflation has continually reared throughout history and to describe the myriad views of each political power which tries to evade the issue.

too frequently. Subordinates are in the plants. "If Derek Whittaker were to be chopped adjust to a new manager if they know he is staying, he says. "Yet in my group I am the only one who has taken two consecutive annual budget meetings in the last eight years."

What middle and supervisory management in Leyland seems to want at the moment is a period of consolidation in which change is limited to making the present organisation work.

They would like to see more emphasis placed on encouraging production departments and giving better incentives to production workers. They would like to see a halt to the burgeoning influence of staff departments, and want to make an attempt to return authority to the production line management. But most of all they would like to see continuity in the factories. "If you change managers every six months the workers are not willing to try and adapt themselves any more," is how one executive puts it.

There are signs that this is beginning to happen already. After the upheavals of the past two years, the cars group is beginning to establish a more settled organisation, and several younger managers are coming through to run the factories. At the same time, some managers feel that authority is being reassured on the production lines. One small change, for example, is that production managers in some plants are being given responsibility once again for chairing industrial relations committees, a function which had passed over to the industrial relations staff: the IR men will now sit in an advisory capacity.

The defence against this kind of reaction is that Leyland is now right in the middle of a period of fundamental change which is inevitably upsetting for many people in a 120,000-strong organisation. It is argued by a strong faction within Leyland that the company is essentially on the correct course, and that all it needs is more time to overcome its problems.

These are the arguments the National Enterprise Board, Leyland's major shareholder, now has to consider as it examines the new plan the company has recently drawn up which indicate that it would like to stay on a broadly similar course to that already established.

The difficulties caused by the reorganisations have in themselves created strong arguments for continuity. "There have been too many reorganisations," says one production manager.

"I don't believe in shuffling things around any more. We have had two reorganisations in the last 12 months. All that happens is that everyone gets confused, while the effect on the plants is minimal."

Another manager talks about the demoralising impact of managers changing their jobs

in Leyland. "It's like a game of musical chairs," he says. "We've got to get rid of the old system and start again."

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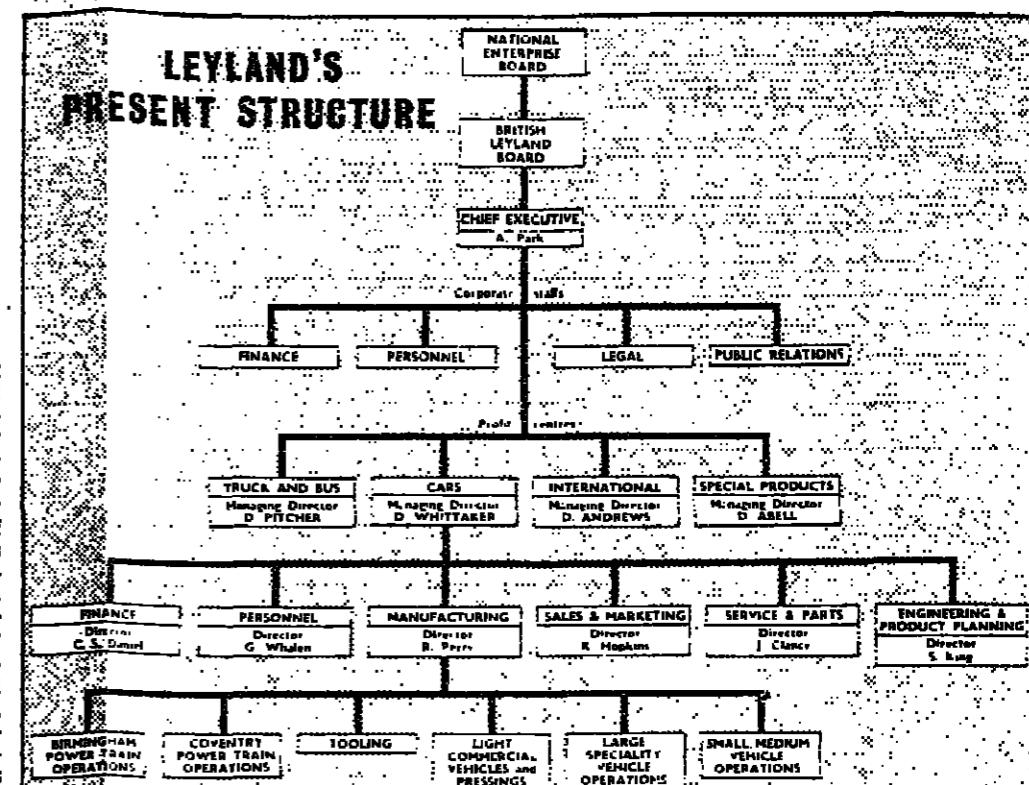
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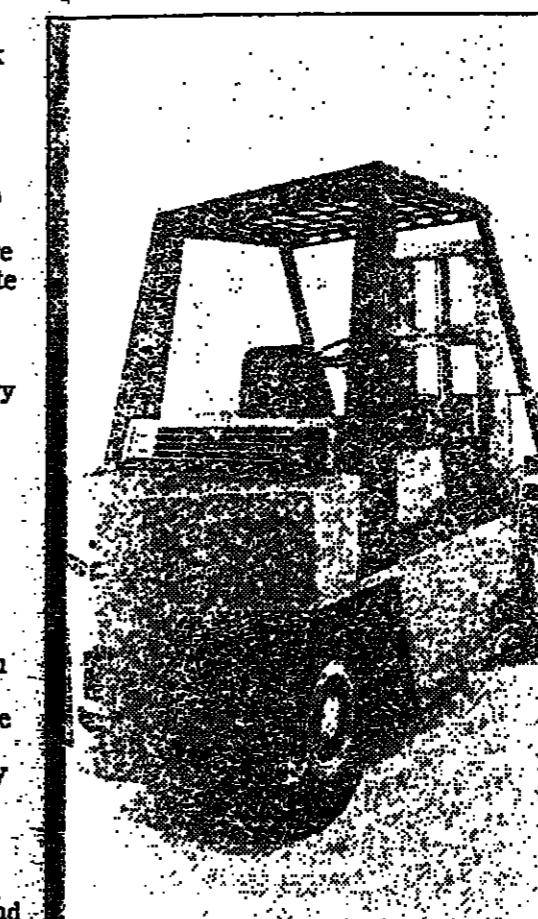
THE PRESENT structure of would be three of these. Austin-Morris, Rover, Triumph and Jaguar (or possibly four if Parts is treated as a separate business), which would be responsible for their own sales and some of their own engineering and production. They would "buy" high-volume components from one or possibly two manufacturing divisions, which would operate as cost centres: the profit centres would also draw on central staffs for certain engineering and marketing services.

4—Merging the job of managing director, Cars (Derek Whittaker) with that of the chief executive (Alex Park), and integrating most of the divisional staffs reporting to Whittaker with the corporate staffs.

5—Within Leyland Cars itself. Some people argue that since abandoning the functional structure set up after the Ryder report (much too quickly and be quite wrong to dissipate ruthlessly, in the eyes of some scarce management resources critics) and adopting a system over several divisions or profit centres.

6—Retaining the functional structure but improving it. Within Leyland Cars itself. Some people argue that since abandoning the functional structure set up after the Ryder report (much too quickly and be quite wrong to dissipate ruthlessly, in the eyes of some scarce management resources critics) and adopting a system over several divisions or profit centres.

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TUESDAY, MAY 3, 1977

How to defuse protectionism

ONE OF the few consistent nonsense of the "industrial strategy," designed to improve the competitiveness of British industry. What Europe needs, the manufacturers seem to be saying, is a policy to defend it against the Japanese assault, including controls both on imports from the Far East and on direct Japanese investment; if European Governments fail to act together, the British must go it alone.

The Government should reject this line of argument. The Japanese manufacturers have acknowledged, at least as far as the U.K. is concerned, that they cannot go on exporting their sets in ever-increasing volume; and that local investment is a political, if not an economic, necessity. If Hitachi's U.K. production replaces imported sets and if the company agrees to send a substantial proportion of British-made components, preferably including the colour tube, the project deserves to be supported.

Adapting Hitachi sets to take Mullard tubes (the only British-made products available since the closure of Thorn's Skelmersdale plant) would no doubt cause technical problems, but this is the kind of concession which the Japanese may have to make if they wish to have continued access to the market. For however misguided and anti-competitive the protests of the domestic manufacturers may seem, they reflect widespread fears of Japanese industrial dominance and a justified resentment of the lack of reciprocity in the Japanese market itself.

Partnership

There are very great dangers that the strength of the Japanese export drive will create protectionist pressures which Governments will be unable to resist. The pressures will be lessened if Japanese companies become more fully integrated, through manufacturing investments, into the economies of Western Europe and North America. These investments must be planned in a way which forges a genuine partnership with local suppliers. To buy locally-made components in preference to Japanese products may be unwelcome, especially in a field like consumer electronics where Japanese companies are so strong, but it is one way in which the invaders

As the domestic industry sees it, the Japanese manufacturers are aiming ultimately to secure the same sort of dominance in the world domestic electronics business as they already enjoy in motor cycles; the Hitachi investment should be regarded as another step in that process. To let Hitachi in would make can gain local support.

David Fishlock, Science Editor, gives his critical assessment of President Carter's recent statement on energy policy

A closer look at U.S. nuclear policy

IMPLICATIONS for the big nations in urgent need of big one in France was the target of a bomb attack. A highly standardised production-line practices of a kind nuclear opponents profess to dread most. Estimates of the number required to fill the gap vary from a cautious "minimum of 400" reactors of a nominal 1,000 MW apiece, ventured by the Atomic Industrial Forum, the U.S. nuclear industry's trade association, to "about 600" estimated by Rep. Mike McCormack, a Democrat representing Washington DC and the only

able to complete such projects

reaching the heading which many nations see as a threat to their sovereignty and to keep nuclear energy security. The President himself has voiced serious doubts about the future of the new energy system through 24 pages of document entitled "detailed fact harness nuclear energy". It has been called for constraints on nuclear power technology and fuel supplies by the White House.

Second, the President has said that the time taken to licence nuclear power stations in the U.S. is much too long.

He has cited erroneously, as

it happens—the Japanese as the

Democrat representing Washington DC and the only

those who want to see presented, nuclear energy abandoned

the means of filling altogether, whatever the cost

that remains in U.S. society.

The irony of Mr. Carter's

energy policy lies not just in the fact that he has been per-

suaded that the U.S. itself must

continue to depend increasingly heavily on nuclear energy

if it is to free itself from over-

increasing dependence on other

nations for energy supplies.

Thus Mr. Carter is en-

acting the same three-pronged

oncuse" (coal, conserva-

tive) strategy for long-

energy independence

accepted by Britain and

industrialised nations.

The difference is the imple-

mentation of the U.S. poli-

cies for the inter-

national Atomic Energy

conference on nuclear

and the nuclear fuel

in Salzburg this week. The

difference is the latest in a

series of U.S.-inspired meetings

concluded in 1955 under the

plan "Atoms for Peace."

They were originally designed

to spread nuclear energy,

all the manifold forms now

proposed, throughout the develop-

ment—not least to the develop-

ment of the "coconut" strategy—the gap is going to be

large.

This fact plainly has major

implications for the inter-

national Atomic Energy

conference on nuclear

and the nuclear fuel

in Salzburg yesterday, "the Pres-

ident's energy programme" envisages a substantial increase in our nuclear power generating capacity." The irony also lies in the means he proposes to adopt to achieve the large nuclear electricity component by the year 2000.

Hazard

First the President has given the green light to a design of reactor, the light-water reactor, which has been under steadily mounting attack worldwide for allegedly being a hazard to public safety. It is the type of reactor with which he has personal acquaintance from his days with the U.S. nuclear navy. Protesters in West Germany have staged riots and sit-ins against such reactors. The first

in three years, whereas it takes scientist in Congress. Mr. McCormack told a symposium organised by the Washington newsletter, The Energy Daily, afresh for each station the case to discuss the proposed energy against the "intervenors"—those opposed to nuclear energy—he can only be telling the critics to shut up.

Until now the U.S. Govern-

ment's Nuclear Regulatory Com-

mission has reserved the right

to treat each new nuclear sta-

tion as a new case. It may well

require new legislation to

relieve the NRC of some of its

perceived responsibility and

permit it to license designs

generically. Previous attempts

to speed up the licensing pro-

cess have succeeded only in dis-

closing why plants were being

delayed.

Third, in order to build light

water reactors in the numbers

implied by the "gap," the U.S.

Letters to the Editor

Town Hall debt

From Mr. K. Webster

Sir,—The Treasury must

have been busy for your

columns to contain three

current negotiations between

central and local government

and a separate report by

the same day. Your leader

did not have put the Treasury

suspicion better if it had been

written in Gt. George St.—per-

haps it was? When Colin Jones

or Joe Rogaly next sound

about local government pro-

gramme, perhaps you will remind

them that you have advocated

an increase in local authority

penditure by way of additional

interest charges.

Unlike the Treasury which

as recently persuaded its po-

litical masters to saddle the

nation with ultra-high interest

payments for many years to

come, local authorities have

been more prudent. During the

last four years when interest

rates have been particularly

high, local authorities have

nearly shortened the length of

their maturity dates. Now that

interest rates have fallen they

are well placed to take

advantage of this by reversing

the trend of recent years. This

could have happened in any

event without any guidance or

persuasion" (with gun in the

stock) from the Treasury.

Can someone explain to me

why, when Government Minis-

ters are publicly encouraging

the building societies to take

full advantage of the fall in the

market rates by lowering their

standing rate still further,

treasury officials are at the

same time actively engaged in

trying to prevent ratepayers

and taxpayers through the rate

support grant) from getting

their fair share of the avail-

able bonus? Apart from all else,

what will those unfortunate

people who obtained their mort-

gage loans from local autho-

rities say, when they find them-

selves left out from the El

Jorado of low mortgage interest

rates desired by the Govern-

ment?

L. Webster

The Woodlands,

Market Harborough,

Leicestershire.

Listening to

the Eagles

From Mr. J. Lennox

Sir,—I have read with interest

the report by Anthony Thorncroft

(April 28) of the Eagles sell-out

concert at the Empire Pool,

"Embley."

I am in fact one of the "quiet

obstet, carefully-dressed and bor-

ing" audience.

If one was

describing a group of people in

terms of the way they dress, I

think it unlikely that many

would choose the word "care-

ful"

to describe them.

Furthermore, the audience

ardly went there to entertain

each other, but rather to be

entertained by The Eagles.

Therefore, that audience was

undoubtedly "horing".

The fact that we were quiet

and sober and that indicates that

we from being "adiscriminate

our applause, we specifically

anted to hear what was offered

in turn were more than pre-

pared to show our appreciation.

It would have given me little

pleasure to listen for the

rest through the screams of an

adiscerning audience merely

remaining in search of that

erotic pubescent thrill."

Mr. Thorncroft further made

mention of the vocal har-

Prices, pay and added value

From Mr. G. Smith

Sir,—As more and more companies examine the approaches to prices, pay and added value outlined by your correspondents, they discover several key factors.

Added value needs to be in-

creased with the aid of recycling with the aid of reprocessing with the aid of reprocessing.

But Mr. Carter has certainly allowed the U.S. nuclear processing.

To encourage other nations to follow his policy of recycling with the aid of reprocessing.

To encourage other nations to follow his policy of recycling with the aid of reprocessing.

COMPANY NEWS + COMMENT

Tootal on target with £17.78m. recovery

INDEX TO COMPANY HIGHLIGHTS

Company	Page	Col.	Company	Page	Col.
Anglo-Continental Inv.	28	2	Lyon & Lyon	22	5
Bishopsgate Trust	23	3	Menzies (John)	27	4
Bremner	23	5	Mercantile & General	22	7
Bridon	28	5	Mothercare	23	4
British Home Stores	23	1	Offex Group	23	4
Clarke (Clement)	22	4	Pearl Assurance	24	4
Clayton Dewandre	22	6	Pickles (William)	22	3
Cope Sportswear	23	1	Richards & Wellington	23	4
Corinthian Hides	23	3	Smurfit (Jefferson)	22	4
Dale Electric	22	5	Solicitors Law	22	4
Dawes (G. R.)	22	7	Tootal	22	1
Electrical & Industri.	23	4	Tricentrol	28	3
Hay (Norman)	23	4	Tysons (Contractors)	28	4
Low & Bonar	24	4	Ultramar	28	1

A STEEP rise in pre-tax profit from £9.3m. to £17.78m., which is £1m. below the 1976 record, is announced by Tootal for the year ended January 31, 1977. A forecast of not less than £17m. was made in March during the offer period for Slimma Group Holdings.

Exchange rate differences have benefited the company by about £1m. also, reserves have been credited by £4.4m. on conversion of foreign currency assets and liabilities as at February 1, 1976.

Profits for the second half almost doubled from £6.07m. to £11.55m., virtually the whole of the improvement being derived from U.K. textile activities which reflected improved trading conditions and the rearing of major sections of the business.

Further benefits should ensue from this reorganisation in the current year and the measures taken will considerably strengthen the profit base in the longer term. Significant progress has been made in strengthening the group's manufacturing base, which will be increasingly reflected in future performance, say the directors.

They are encouraged by the start to the current year and feel that optimism is wholly justified, despite the uncertainties of the political and economic climate.

No major changes are envisaged in the group's strategy outlined in the last annual report, expansion of growth areas both in the U.K. and overseas will continue and exports from the U.K. will be consolidated and increased, building upon the success achieved in recent years, they add.

For the year stated earnings per 10p share were up from 3.4p in 1973-74, as predicted, the final dividend of 4.885p (2.217p) for a total of 2.4285p (1.2217p), the maximum allowed.

TOOTAL'S profits are £0.8m. ahead of forecast and just £1m. short of the £18.8m. peak achieved in 1973-74. The textile side in the U.K. has shot ahead—and made practically all of that growth seen in the second half—and there has been good performances in Asia and Australia. Earnings per 10p share have exceeded £1m. to the taxman total, and the last year's rights issue was probably worth something like £0.15m. The current year has started well and profits this year could get close to £23m. pre-tax, although the underlying trend is clearly going to be swelled by some useful stock profits. At 42p the shares yield 9.4 per cent, and the n/e is 61.

The latter figure rises to around 8 fully taxed.

ATKINSON LORRIES

Atkinson Lorries (Holdings) Ltd. consists of reorganisation and closure costs less profit on disposal of a subsidiary.

In the event of a reduction in ACT, a further amount will be paid as soon as practicable.

William Pickles recovers

ALMOST double pre-tax profit of £0.44m. to £0.88m. was achieved by Manchester-based textile manufacturers William Pickles & Co. Sales were £1.7m. up at £21.22m. with the export content expanding 80 per cent to £1.59m.

After tax of £577,178 (£456,128)

the net balance emerged at £580,541 (£332,429).

The company is active as dispensing opticians etc.

FURTHER improvement was shown in the second half for Clement Clarke (Holdings) to end 1976 with taxable profit ahead from £785,371 to £957,718 on sales up £1.05m. at £6.3m. A satisfactory outcome was forecast at halfway when profit was marginally better at £428,000 against £402,000.

Stated earnings per 25p share were 9.7p (8.4p on capital increased by scrip issue) and a net final dividend of 1.125p raises the total to 1.9375p (equivalent to 1.7887p).

After tax of £577,178 (£456,128)

the net balance emerged at £580,541 (£332,429).

The company is active as dispensing opticians etc.

JEFFERSON Smurfit ups dividend

VERY satisfactory sales and profits in the first quarter of the current year are reported by Jefferson Smurfit Group, and a one-for-three scrip issue announced.

In the light of the progress in the first three months the directors have declared a net final dividend of 4.82125p per 10p share for 1976-77, totalling the total for 1976-77 to 7.28625p.

This is equivalent to a gross total of 11p (7.575p after adjustment for scrip issue).

Results by the company, which is active in packaging, print and distribution, for the year to January 31, 1977, were reported to the shareholders.

• comment

In 1975, profits of Wm. Pickles were overstated by £234,000 but the figures have now been adjusted and show that a major recovery has taken place since April 1.

ADJUSTED figure.

RESULTS BY THE COMPANY, WHICH IS ACTIVE IN PACKAGING, PRINT AND DISTRIBUTION, FOR THE YEAR TO JANUARY 31, 1977, WERE REPORTED TO THE SHAREHOLDERS.

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NEWS ANALYSIS — ROLLMAKING

Maintaining Britain's world leadership

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

John Menzies 77

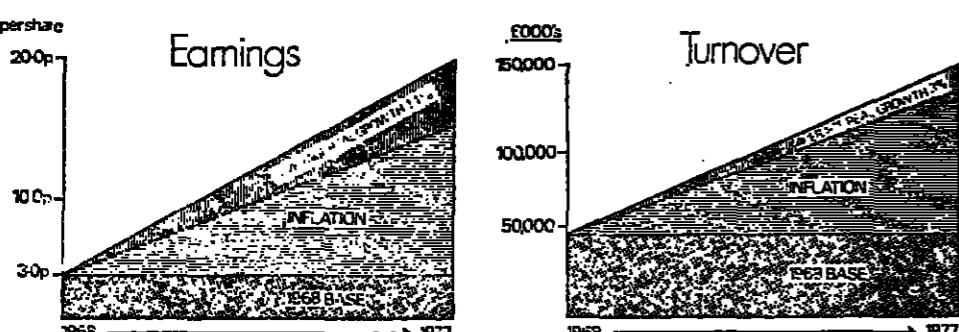
John Menzies (Holdings) Limited
John M. Menzies, Chairman

John Menzies was founded in 1833 as a family business and the Menzies family are still active in the management of the company, which has been publicly quoted since 1962.

John Menzies is one of the two largest U.K. distributors of newspapers, magazines, books, stationery and associated products, and is fast expanding the range of goods held in its stores. It operates from approximately one hundred wholesale depots and more than two hundred retail outlets—ranging from city centre department stores to station and airport bookstalls throughout the country.

Ten Year Record

	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Turnover	43,758	48,506	50,375	56,816	65,228	61,069	77,573	104,195	128,441	144,096
Profit										
Trading	607	880	827	967	1,445	1,905	2,348	2,603	3,089	3,276
After interest	501	770	775	949	1,372	1,836	2,403	2,138	2,720	3,095
After tax	305	421	387	529	773	1,090	1,108	926	1,270	1,430
Per ordinary share										
Earnings	3.0p	4.7p	4.4p	6.3p	10.0p	14.7p	15.3p	12.5p	17.7p	20.0p
Dividend — net	1.56p	1.67p	1.57p	1.92p	2.65p	2.52p	3.25p	3.62p	3.82p	4.20p
Dividend cover	1.9	2.8	2.6	3.3	3.7	5.8	4.7	3.6	4.6	4.8
Capital employed										
Return	10.9%	15.7%	15.6%	17.9%	23.7%	28.9%	35.0%	28.5%	31.5%	33.0%
Assets employed	5,362	5,468	5,502	5,760	6,115	6,911	7,059	7,724	8,631	9,385
Per ordinary share	38.3p	41.2p	42.8p	46.8p	53.1p	65.7p	68.6p	78.4p	95.5p	107.7p



John M. Menzies, Chairman, covered the following points at his review already circulated to shareholders with the report and accounts.

The Year's Results
Sales have increased by 12.2% pretax profits by 13.8% and earnings per share by 13.0%. While these results are less than expected at the beginning of the year, they are satisfactory when the external trading environment is taken into account. The ordinary dividend of 4.20p per share is the maximum we are free to pay under existing restrictions.

The Future
At the time of writing, price inflation is again on the increase and wages continue under restraint. There thus seems little prospect of any rise in living standards before the end of the year, particularly as savings have been forced down to historically low levels. Although our budgets have been based on this cautious assumption, they indicate a further increase in profits. Forecasting results in current conditions is hazardous, but it seems reasonable to expect a satisfactory year's trading.

Shareholders will be welcome at the Annual General Meeting to be held at 20 Hanover Street, Edinburgh on the 27th May 1977 at 12.15 p.m. A copy of the accounts can be obtained from the Secretary.

John Menzies, Hanover Buildings, Rose Street, Edinburgh EH2 2YD

KODE

Results for the year ended
31st December 1976

	1976	1975
	£	£
Group Turnover	4,470,000	2,212,000
Profit before Taxation	603,000	284,000
Profit after Taxation	402,000	151,000
Dividends	48,000	43,000
Earnings per Share	12.4p	4.7p

Highlights from the Statement to Shareholders by Chairman, Mr. W. D. Tudor:

I am pleased to report excellent results for the year ended 31st December 1976, reflecting the success of our declared intention to invest in organic growth and acquisition.

Pre-tax profits rose to £603,377 compared with £284,492 for 1975, and include £266,569 earned during the whole of 1976 by Moore Reed and Company Limited, acquired during the year in accordance with our stated policy.

An interim dividend of 0.7038 pence per share was declared on the half year results and the Board recommends a final dividend for the year of 0.7647 pence per share. These dividends, with the associated tax credits, are equivalent to 9.04%, and are the maximum payable under current legislation.

The demand for the Group's products remains strong, orders being well up on a comparable basis with the same period last year. I am confident that there are excellent prospects for the Group to build upon the foundations already laid. ♦♦

Kode International Limited

21 CORK STREET, LONDON W1X 1HB

Manufacturers of data processing equipment and components for industrial and military applications

IT WAS a merger in Sweden last year which finally convinced the directors of Johnson and Firth Brown that they ought to think seriously about acquiring British Rollmakers Corporation.

In Sweden, Bofors and Akers put together their rollmaking interests with the idea of becoming more competitive by offering complete roll "packages" to the developing countries now intent on setting up their own steel industries.

JFB agrees totally with the logic of that merger and was using the same arguments yesterday to explain its sudden raid on BRC.

The group was also insisting that the U.K. has world leadership in the rollmaking business and a merger of JFB with BRC should make sure the British do not fall from their dominant position.

In steel processing terms rolls come in two basic types, cast and forged. Generally, the cast rolls are used at the primary end of the processing, squeezing hot ingots into steel plates, for example. The forged rolls have a better metallurgical quality and are stronger as well as having a better surface. So they tend to be used at the finishing

end of the process, turning the steel plate into the sheet steel used by car makers or refrigerator manufacturers.

It is certainly important that the U.K. companies should not miss out getting in at the beginning as the developing countries build their steel processing facilities. Each item of equipment is always a little different from that offered by the competition and is therefore difficult to replace with something from another manufacturer when replacement is necessary.

Both JFB and BRC rely heavily on exports. In the U.K. their list of customers is a short one, with the British Steel Corporation (which also manufactures some of its own rolls) the dominant member. It was being estimated yesterday that perhaps 90 per cent of the U.K. sales has been exporting between 30

and 40 per cent of its output of rolls while JFB has exported in the region of 65 to 70 per cent.

The traditional markets are probably fairly safe and a JFB-BRC merger will make no difference on demand from this direction.

These markets are the heavily industrialised countries such as Canada, South Africa and various parts of Europe. The users will not take risks with the rolls they buy and for very good reason. When a roll is flawed and the flaw is not detected it can literally blow up in use. When this happens "shrapnel" is scattered over several hundreds of yards and can severely damage a mill in the process. For this reason the traditional customers tend to turn to the people they know and know they can trust.

Many industrialised countries do not generate enough demand to justify their own rollmaking capacity. The manufacturing plant is extremely costly and a high volume of output is required to justify the capital investment. That said, margins of profit on rolls are good.

And that is another good reason for the U.K. to remain



Mr. PHILIP LING, general manager, Johnson and Firth Brown.



Mr. D. F. Dodd, British Rollmakers Corporation.

Pearl puts £39m.
into equities

Pearl Assurance Company was a substantial equity investor in the ordinary branch to 9.69 per cent. from 8.95 per cent. and in the industrial branch to 9.74 per cent. from 8.97 per cent.

The report shows that total payments to policyholders rose by £5m. to £79m., with surrender payments climbing by nearly £1m. to £142m. This latter increase arose from an improvement made early in 1976 in the surrender values and not from a rise in the actual number of surrenders. But Mr. Garner points out that the surrender value scale is still not back to the level in force before the 1974 fall in the stock market and he considers that it would be unfair to continuing policyholders to introduce a scale that did not reflect the fall in the value of underlying investments.

The company took the general view that on balance the relative investment values of equities were attractive enough to maintain the high equity position adopted. It was considered that well-diversified equity investment with sound companies has inherent strength and good prospects protecting values in real terms. The company was active in the equity sector throughout the year, but from May onwards put more into Ordinary shares as the market fell and more investment opportunities presented themselves. Most of the gilt-edged investment made in 1976 was new equity capital to U.K. companies.

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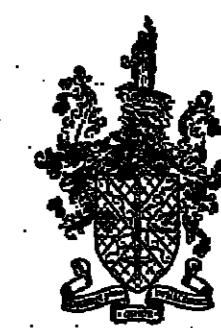
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PEARL ASSURANCE COMPANY LIMITED

"No lack of willingness to provide finance for industry."

Statement by the Chairman, Mr F. L. Garner.



This is the first occasion on which I have had the honour and pleasure of reporting to you as Chairman.

There are a number of changes in the Company's Directorate to be reported. During the year under review the office of Chairman was held by my predecessor, Mr S. C. McIntyre, who resigned from the Chair at the end of February this year having reached the age of 65. Mr McIntyre has given the Company long and distinguished service over the whole of his working life, during which he has filled the positions of Secretary, Director, Deputy Chairman and Chairman. His colleagues are delighted that he has agreed to remain on the Board in a non-executive capacity as our President. At the end of 1976 Sir Geoffrey Kitchen resigned from the post of President after many years of service including a notable period as Chairman. Also at the end of 1976, Mr B. A. J. Bone resigned from the Board after a business lifetime of more than fifty years devoted to the Company.

Having reached the age of 65, Mr T. J. Leech has resigned as Secretary and Mr A. C. Edwards as Actuary. Both of these gentlemen have held their appointments for the last ten years. They remain as non-executive Directors, and as from the first of March this year they have been appointed joint Chairmen. Their successors as Secretary and Actuary are Mr N. N. Prodrow and Mr J. R. C. Elmslie respectively.

Mr H. W. Sharp, who at the age of 65 resigned during 1976 as one of our Divisional Managers in the field, became a non-executive Director.

Finally, Mr E. T. Blithe, the Company's Solicitor, Mr T. W. Lewis, a Deputy General Manager, and Mr S. A. Mairland, our Controller of Investments, were invited to join the Board whilst retaining their executive positions.

The outcome of all of these changes has been to establish the Board pattern indicated to Stockholders last year when their consent to certain changes in the Articles was obtained. We now have a Board, made up partly of members of our senior executive team and partly of experienced elder statesmen, which we feel is appropriate to the Company's needs today.

LONG-TERM BUSINESS

New Life Business

Our life business has been as successful as can be expected in a period of high inflation. It is indeed fortunate for the country's economy that the population at large has not lost the savings habit and has continued to invest through the medium of life assurance as well as using it for the primary purpose of protection.

The new business in both life branches has continued to increase.

In the industrial branch new annual premiums were up by 15 per cent to £5.0 million. New sums assured were up by £3 million to £24 million.

In the ordinary branch new annual premiums were up by 19 per cent to £8.7 million. New sums assured were up by £2 million to £56 million. It was a particularly successful year for annuity business. Annuity considerations increased from £3 million to £6.5 million and annuities per annum, including annual premium deferred annuities, were up from £2.4 million to £5.7 million.

Life Business in Force

The total life business in force at 31 December 1976 comprised sum assured and bonuses of £3,052 million, £1,250 million in the industrial branch and £1,802 million in the ordinary branch. A year previously the total was £2,688 million. Annuities and bonuses amounted to £230 million compared with £235 million.

Combined premium income (including annuity considerations) was £120 million, £58 million in the industrial branch and £52 million in the ordinary branch, compared with £104 million.

Total payments to policyholders in the form of claims, surrenders and annuity payments amounted to £79 million compared with £74 million for the previous year. Surrender payments have increased from a total of £13.3 million to £14.2 million. This arises, not from an increase in the number of policies surrendered, but from an increase in the scale of our surrender values made early last year.

We have not been able to increase the scales back to the level at which they stood before the fall in the stock market in 1974, since it would not be fair to continuing policyholders if those withdrawing were to receive a surrender value which did not reflect the fall in the value of the underlying investments.

In both branches the expense ratios have increased yet again, from 39.26 to 40.51 per cent in the industrial branch and from 32.51 to 34.47 per cent in the ordinary branch. Although we examine critically every item of expense there are some costs which increase automatically with the growth of the business. Increases of the same order as the cost of living were obtained in new business. However, it is impracticable for the total premiums to expand at the same rate at a time when inflation is at the high levels we have seen in recent years. As a large part of our expenses is related directly to new business volume, our expense ratio must therefore inevitably rise. As from 1st April we are to suffer another blow in the form of a 2 per cent impost on pay to be levied as a part of the Chancellor's "economy measures" announced last autumn.

Overseas Life Business

As my predecessor announced in his report for 1974 we have ceased writing

non-life business in Canada. We have, however, a small life portfolio in that country, having ceased writing new business there in 1965. The two operations had been largely run by the same staff and we considered that it would be difficult to run the life business economically on its own. We have therefore negotiated the sale of the business to Western Life Assurance Company, a Canadian subsidiary of the Bankers' Life and Casualty Company, one of the largest companies in the United States.

Recent legislation in South Africa made it necessary for us either to convert our local branch, which writes only life business, to a subsidiary company established under South African law or to dispose of the business to a local office. The size and potential of our business did not warrant establishing a subsidiary company and we therefore decided to accept a favourable offer from the Union National - South British Insurance Company Limited to acquire the business. The UNSB is a South African office controlled by the South British Insurance Company Limited of New Zealand. It is one of the largest non-life insurers in South Africa and also has a small life portfolio. Our life business will be a substantial addition to the business of the UNSB. We consider that our policyholders will benefit from the reduced expenses that should result from combining the two sets of business. We are also pleased that UNSB have employed nearly all our South African staff but, where redundancies have been involved, the staff concerned have been suitably compensated.

Both of these transfers are effective from 1st January 1977. The arrangements are proceeding smoothly and the results will be reflected in the accounts for 1977.

Life Valuations and Bonuses

The valuations of the life liabilities have been made on the same bases as for 1975, with the exception of that of the South African business. Under the terms of the sale referred to above, the valuation for sale was to be made under the South African statutory minimum basis. For the sake of consistency, we have used the same basis for our own valuation. Since this basis is less stringent than that previously in use and the transfer of business will not be shown through the accounts until 1977, we have temporarily increased the amount of the additional reserve.

In the ordinary branch the surplus for the year was £213 million, £13 million more than in 1975. We have been able to increase the reversionary bonus rates on United Kingdom policies. We have also decided a supplementary bonus on self-employed deferred annuities, where the policyholder enters upon the annuity during the next year. Although similar in form to our existing terminal bonus, this supplementary bonus serves a different purpose. We have recently replaced our self-employed deferred annuity policy by a new policy on more attractive terms. The supplementary bonus is intended to continue and, in the long run, to make the benefit to policyholders who took our policies before the change comparable with those to policyholders who took them afterwards.

The bonuses declared for the overseas territories are similar to those for 1975.

In the industrial branch the surplus for the year was £93 million, £7 million more than in 1975. The reversionary bonuses are at the same rates as for 1975, but the costs considerably more because of the large amount of 1970 business eligible for bonus for the first time.

The terminal bonuses in both branches are unchanged.

SHORT-TERM BUSINESS

Results

Worldwide premium income of the Company's general branch amounted to £29.0 million, an increase of £2.2 million (22 per cent) over 1975. There was an underwriting loss of £7.6 million compared

with the 1975 loss of £3.0 million, the comparative revenue class losses for the two years being:

	1976	1975
Property	1.7	1.0
Motor	0.3	0.8
Liability	—	0.4
Other classes	0.2	0.2
Reinsurance/treaties	0.4	0.6
	2.6	3.0

Gross investment income amounted to £3.2 million compared with £2.7 million in 1975 giving a net trading surplus for the year of £0.6 million against a net deficit of £0.3 million in 1975.

United Kingdom

Ninety-seven per cent of our general branch premium income was derived from the UK. Growth at 24 per cent was satisfactory but the results were disappointing, the underwriting loss amounting to £2.3 million or £0.5 million more than in 1975. This was an improvement in the motor, liability and pecuniary loss accounts but the favourable impact of these on the combined results was more than offset by the very poor results of the property account which was badly hit by heavy claims for storm and subsidence damage. Householders business which forms a substantial part of our property account has been under increasing pressure in recent years. Inflation has pushed up claims and servicing costs while widespread under-insurance has kept down the insured values on which premiums are based. The free extensions of cover given by the market in earlier years have increased the range and incidence of claims. This pressure on the account has caused a steady swing away from profitability and the account would have shown a loss even without the additional and heavy load of £1 million of storm and subsidence claims.

We are increasing our efforts to bring this account back into profitability by introducing new measures to reduce both the degree and the effect of under-insurance. We are also examining ways of simplifying the methods of writing and servicing the business with a view to providing a better service at lower cost.

In the motor account growth was high at 29 per cent due largely to a rapid expansion of motor cycle business. The underwriting loss at £0.3 million was about half that of 1975.

The rapid growth of motor cycle business resulted from (a) a high rate of market growth, (b) an increase in our share of the market, and (c) substantial rate increases that we found it necessary to apply in the latter part of the year. The growth in our share of the market had been encouraged as part of a drive to open doors for new life business but, unfortunately, this coincided with a sharp deterioration in the underwriting results of motor cycle business. The incidence and cost of claims increased dramatically and, despite rate increases the result for the year was a substantial loss. The account is being closely monitored and further measures are being taken to get it into balance.

There was a net improvement in the underwriting results of the other accounts, the improvement in the liability and pecuniary loss accounts being more than enough to offset a deterioration in the personal accident account.

Overseas

Following our withdrawal from Australia, Canada (where the run-off of our business is proceeding satisfactorily) and New Zealand, our direct overseas interests are limited to agencies in Central Africa and Portugal and agencies in a few countries. Together, they contributed 8.5 per cent of our premium income.

Bench results in Central Africa and Portugal were very good. Both branches operated in difficult conditions and the successful outcome was a commendable achievement by the management and staff.

Agency premium income increased by 16 per cent but the results deteriorated and the outcome was a loss of £0.1 million.

This was due mainly to very poor claims experience in Holland. Results were very good in France and Greece and mixed in the other territories.

Reinsurance Treaties

The results of business accepted under reinsurance treaties were better

than those of 1975 but they were still poor with an underwriting loss of £0.4 million. This arose largely from the run-off of one very unprofitable account.

Marine Aviation and Transport

There was substantial premium growth, derived in large measure from the higher rate of conversion for premiums in foreign currency. The business is still under pressure from inadequate premium rates and the rising cost of claim settlements. The 1974 cost was closed at the end of 1976 with an underwriting loss and, to maintain the strength of the fund, £0.1 million has been transferred from the profit and loss account.

Subsidiary Companies

We have three subsidiary companies in the USA, Portugal and Brazil. The first two are predominantly investments of the long-term fund but the last is a stockholders' investment. The combined premium income of the three amounted to £21.2 million against £15.5 million in 1975.

The "Monarch of Ohio" reduced its underwriting loss from the high level of 1975 and registered a small trading surplus after crediting investment income and realising capital gains. There was a reference in last year's report to the cancellation of a number of contracts in the "pools and associations" sector of the company's business. Heavy losses under the run-off of some of these contracts were reflected in the 1976 results and although the run-off will take some time to complete, the losses should diminish. Other measures have been taken to improve the company's trading performance and the prospects for 1977 are more promising.

Provisional figures for the "Portugal" indicate a substantial improvement on the 1975 trading loss of £0.1 million.

"Monarch" in Brazil had an exceptionally good year with an underwriting profit of £0.2 million and a trading profit of £0.6 million. This easily topped what had been a good and rising record in previous years but we cannot reasonably look to continued profits growth in 1977. Market conditions are hardening and some reduction in margins is certain.

THE BULLOCK REPORT

UNION-NOMINATED DIRECTORS

To deal fully with all the arguments which arise on this subject is impossible in a statement such as this, but some reference must be made to a matter of such importance. At a time when the managers of industry and commerce are surrounded by so many frustrations and uncertainties arising from the country's economic situation and when re-establishment of confidence is imperative, I find it astonishing that Government should wish to inject this massive new uncertainty which must divert minds from the really crucial matters. The contention that the Bullock majority proposals are so vital as to call for their early imposition by law upon employers becomes decidedly suspect when those same proposals leave the unions concerned in each case free to opt out of the system, simply by not exercising their sole right to initiate the necessary procedures.

As to the proposals themselves, your Board supports fully the attitude of the CBI. The proposals would not lead to smoother and more efficient operation and this is the basic upon which they should be judged. In this Company we have for many years, and well in advance of any obligation to do so, been developing consultation and participation procedures with the staff and we would want this to continue. However, within every organisation there must be a place where minds of appropriate training and experience can be concentrated upon how best to achieve the progress of the business, upon which everything else, including staff welfare, depends. There must also be a place where union representatives can discuss and negotiate upon proposals which affect staff interests. The Bullock majority proposals would inevitably confuse these two functions around one table and this, although not intended to do so, would lead to groups and voting blocs within boards, inhibiting the independence of attitude required of directors. I should add that in a life assurance company there are not two, but three, parties interested in profitability and its distribution. These are the policyholders, the stockholders and the staff. Your Board regards the holding of a balance between the interests of all three as one of its main duties.

As an insurance company we are a major investor and we therefore have an interest in these proposals as a shareholder as well as an employer. We have invested large sums in British industry, mostly on behalf of our policyholders. Most of that is in the major firms of the country, those employing more than 2,000 people. Although we are normally happy to leave the professional management to run the business on our behalf, we have always invested in the knowledge that the body of shareholders, who have provided the necessary capital, has the ultimate control over the board. Now it is proposed that, while they may still have the nominal ownership, they will no longer be able to act to protect their property. I can think of no other step which is so likely to deter the investment which is so necessary to the country.

It is to be hoped that it will be realised that the country is in no position to risk conducting such extreme experiments as the Bullock majority proposals and that these proposals will not be pursued.

NATIONALISATION AND CONTROL OF INVESTMENTS

The National Executive Committee of the Labour Party has proposed the nationalisation of seven of the largest

insurance companies. Your company is not among the seven in question but we oppose this proposal just as strongly as if it were. We are confident of our ability to compete with any nationalised office but we believe that the nationalisation of a few offices would soon be followed by the nationalisation of others or of the whole insurance market. This can be good neither for the country nor for investors nor for policyholders. The seven companies proposed for nationalisation include those with most overseas business. They are large contributors to the favourable balance which the country achieves on invisible earnings. Nationalisation will make foreign nationals unwilling to insure with them. In some cases, they may even be unable to do so because of local legislation. The profits from this business will therefore be lost to the country. Experience overseas has shown that nationalisation results neither in lower premiums nor in higher benefits for the policyholder.

Comments deal mainly with the figures for the Company as a whole, but a detailed breakdown by categories of investment and assets and as between the funds is given in the accounts.

Total assets of the Company at balance sheet value rose by £31 million to £917 million after writing up the equity and property portfolios by £4.96 million and £1.65 million respectively (in each case net of tax provision).

Gross investment income increased by £2 million to £31 million.

At the year end short-term deposits in the United Kingdom amounted to £92 million compared with £84 million the year before. Of such deposits £14 million related to the long-term business and represented 1.6 per cent of the assets of the long-term funds.

During the year the gilt-edged portfolio was increased by over £2 million following the previous year's increase of some £25 million. Gross advances under house purchase mortgages totalled £12 million, with net lending amounting to £5 million.

Net equity investment, largely in United Kingdom shares, continued to be substantial and amounted to over £30 million of which some £12 million financed industrial and commercial companies raising capital through rights issues. Thus in the last two years more than £35 million of new equity capital has been provided to UK companies.

Net investment in property has amounted to nearly £7 million and the forward programme at the year-end stood at £51 million. Both these figures are quite small, reflecting the uncertainty of the property market and the very low level of development now taking place.

The yields on the life funds were 9.69 per cent (1975-8.95) in the ordinary branch and 9.74 per cent (1975-8.97) in the industrial branch.

In our belief, well-diversified investment in equities of sound companies has inherent strength and good prospects of protecting value in real terms. It is of prime importance that the productive sector, on which the standard of living depends, should achieve satisfactory profits if it is to function for the general benefit. The uncertainties which always surround the future make it necessary to balance the portfolio with fixed interest investments. In recent years interest rates have been historically high but inflation rates have been even higher. A very substantial slowing down of future inflation is essential if lower interest rates are to be justified.

If proposals for control of investment mean anything in current circumstances, they appear to suggest that insurance companies should be compelled to invest in industrial companies which are not those that they would otherwise select, that is to say, those which are unable to offer an adequate return or where the safety of the investment is in doubt. Such proposals cannot be in the interest of our policyholders or of the country. If we were compelled to do this, the public would soon realise that they were no longer receiving a fair return on their savings and would turn to other forms of investment.

LIFE ASSURANCE, PREMIUM RELIEF

The tax relief given, within statutory limits, to those who save through the medium of life assurance has long been part of the fiscal scene in this country. This provision has encouraged saving and enabled breadwinners to protect their families on a greater scale than they might otherwise have done. The relief has, until now, been given by an adjustment in the PAYE coding or

KRAFT PRODUCTIONS LIMITED

Final Statement

The Directors of Kraft Productions Limited announce audited profits before taxation of £50,079 for the year ended 31st December, 1976.

The final proposed dividend of 0.588p per share will be paid on 27th May, 1977 and is equivalent with addition of the related tax credit to a gross distribution of 0.9p per share. This, together with an interim dividend of 0.3125p gross equivalent 1.25p per share, makes a total of 1.3975p per share which is equivalent with the addition of the related tax credit to a gross distribution of 2.15p per share.

Accounting Period	Year ended 31.12.76	Year ended 31.12.75
Group Turnover	£1,143,147	£1,215,685
Group Profit after all charges excluding Taxation	£ 50,079	£ 73,701
Taxation	£ 25,078	£ 49,678
Group Profit after Taxation	£ 25,001	£ 24,022
Dividend Gross equivalent per share		
Interim	1.25p	1.25p
Proposed Final	0.9p	0.9p
Amount absorbed by Dividend	£ 13,975	£ 13,975

SHARE DISCLOSURES

More U.K. stakes for KIO

FURTHER holdings in U.K. companies were disclosed yesterday by the Kuwait Investment Office. The KIO holds 9.35 per cent. of two companies, Anderson Strathclyde and Canadian and Foreign Investment Trusts. The stake in Anderson amounts to 3,145,000 Ordinary shares, and that in the investment trust to 665,000 of the Ordinary.

The KIO also holds 1,000 of the Ordinary shares of Scottish Ontario Investment Trust, representing 7.02 per cent. Guardian Royal Exchange Assurance Group has 17.78 per cent. of the 3 per cent. Cumulative Preference shares or 90,000 shares.

Simon Engineering: Eagle Star Ins. Co. holds 60,000 6 per cent. cum pref. shares (6.5 per cent.) RTZ: Phoenix Co. holds 307,500 "B" pref. shares (7.78 per cent.), and Canadian Royal Exchange Ass. Co. holds 384,175 "B" pref. shares (12.22 per cent.). Leda Investment: Lawson High Yield Fund holds 240,000 income shares (5.5 per cent.) and Canadian Empire Securities and Practical Investment Co. holds 290,000 capital shares (6.1 per cent.). Wyndham Engineering Co.: British Empire Sets and General Trading beneficially holds 40,000 Ordinary shares (6.5 per cent.). Firms and Sons Midland Tst. holds 108,000 Ordinary shares (8.3 per cent.). Ladies Pride Outerwear: Mr. P. L. Fulford holds 262,568 Ordinary shares (5.67 per cent.). Guest Keen and Nettlefolds: Sir Donald Bruce-Gardiner, a director, has exercised his right to take up 575 shares in accordance with terms of the Rights Issue.

A. J. Worthington (Holdings): S. G. Worthington, a director, holds 114,950 (including family interest) (5.73 per cent.). Mrs. M. B. Worthington holds 124,000 (6.2 per cent.) and Mrs. M. E. V. Gibson holds 111,000 (3.65 per cent.) Ordinary shares.

Percy Bilson: Glenhazel Investment Trust holds 12,931,595 Ordinary shares (34.48 per cent.) and Percy Bilson Charities holds 2,318,000 Ordinary Shares (6.28 per cent.).

P.T.P.: Mrs. D. Tyldesley holds 550,000 Ordinary shares (5.32 per cent.). Estates Duties Investment under terms of company's em-

ployee share option scheme. Trust: I.C.F.C. Group holds 100p

March 1967

March 1977

HOW THE PURCHASING POWER OF YOUR POUND HAS FALLEN. (Source, Retail Price Index.)

100p

35.2p

March 1967

March 1977

100p

35.2p

March 1967

MINING NEWS

Struggle to mine Canada's minerals

CANADA still has an impressive Central Canada Potash Noranda grade was 0.6 per cent against 0.7 per cent. Contained copper produced was 37,884 tonnes compared with 47,766, but with the additional production facilities later on in the year, it is expected to be more than in 1976.

Noranda points out that last year's pre-tax profit was \$Can 20.3m. But after mineral royalty, land tax, proportioning fee, reserve tax and federal and provincial income taxes the mine was left with a loss of \$Can 3.3m. Perhaps the take-over may be seen as a welcome release.

Commenting on the problems of asbestos nationalisation in Quebec and severe taxation elsewhere Mr. D. R. Laporte, chairman of the Rio Tinto-Zinc group's 65.2 per cent-owned Brinco still finds cause for optimism. Having learned to adapt to changing conditions Brinco has no desire to contribute to the endemic pessimism which prevails to do with the future of the future of our country.

Meanwhile, Brinco hopes within two months to have something positive to say on progress with the \$Can 300m. (\$167m.) asbestos project in north-eastern Quebec. Marketing and finance are being carried out with America's Asarco while awaiting the recommended new health standards for asbestos mining and the Quebec Government's view on a participation in the venture.

From Toronto, John Saganich reports that the awaited development of the much-touted copper deposit in British Columbia by Cominco's 31 per cent-owned Valley Copper Mines could now come sooner than later.

He points out that Valley owns 30 per cent of the deposits and that Cominco has recently acquired 12 per cent of Bethlehem Copper which also has a stake in the deposit together with a 20 per cent royalty over a large part of Valley's potential production.

According to the Valley president, Mr. S. M. Rothman, studies carried out by Bethlehem indicate that mining by block caving methods of a 130m. tonnes' part of the deposit grading 0.51 per cent copper and 0.027 per cent molybdenum "may be feasible in the near future." But a copper price of at least 85 cents per pound (it is currently around 63 cents on the New York market) will be needed to make where the project comes on stream.

Barely economic at the moment are Canada's potash mines in Saskatchewan which are hit by the various provincial, federal and municipal taxes. On top of this they are faced with a take-over offer from the provincial government which has already bought the Dural and Spruce mines and is looking at three others.

On the take-over list is Noranda's 31 per cent-owned Teutonic Bore ore grades

Teutonic Bore ore grades

IT IS now confirmed that work done so far on the Teutonic Bore copper-silver discovery in Western Australia of Selection Trust and Rio Tinto-Zinc has shown a net metal feed deposit of between 2m. and 3m. tonnes. The average grade, it is disclosed, is 3.5 per cent copper, 0.5 per cent zinc and 150 grams per tonne silver. The metal grades are good—especially in the case of silver—and although they are below the higher results obtained in the holes, they are much in line with those. The tonnage figure suggests that the deposits may turn out to be smaller than had been hoped for, but exploration is continuing in the area.

Teutonic bore is jointly owned by Western Select (in which Selection Trust has a 75 per cent stake) and MMG. A stake of 20 per cent in Western Select is held by Cominco's 31 per cent-owned Valley Copper Mines, the shares of which rose 14p to 39p yesterday.

ROUND-UP

In Canada, Preston Mines, which is 50 per cent owned by Rio Tinto-Zinc, had a net loss of \$Can 1.2m. in the March quarter of \$Can 1.2m. compared with \$Can 1.1m. in the same period last year. The increase is attributable to the better performance of Rio Algom, which Preston has a 43.8 per cent stake.

The U.S. group, Freeport Minerals, had net profits of \$8.05m. (\$4.7m.) in the quarter to March, compared with \$13.7m. in the same period last year. Although the figures show a considerable fall, they are higher than in the 1976 fourth quarter because of better results from Indonesian copper operations.

Copper production fell sharply at the Rio Tinto-Zinc group's Escondida operation in the first quarter of the year because of the mining of hard lower grade ore and a planned concentrator shutdown. Ore milled was 7.07m. tonnes against 8.04m. tonnes to 158p; and Southern Kinta 3p to

Tin companies to pay more

AGAINST the background of good financial results to be paid by Malayan Tin, Southern Malaysian Tin and Southern Kinta, which are all transferring their domicile from London to Malaysia, come forecasts of higher final dividends, from all three tin companies.

They state that with the interim already declared, the final will approximate the full amount of distributable profits for the current financial year. The forecasts, which are still "not final," will be based on Malaysian tax at 40 per cent, but no account has been taken of UK tax liability on shareholders here.

At current exchange rates, Malaysia's final for the year to June 30 will be \$M0.75, equivalent to approximately 17.58p gross. Together with the interim already declared of 4p net this will make a total equivalent to 23.71p gross. The gross equivalent total for 1976-77 was 18.92p.

Southern Malaysian's forecast final is also \$M0.75, equivalent to 17.58p, making 23.71p gross against 18.15p gross for 1976-77. Southern Kinta, which ended its year in March, forecasts a final for 1976-77 of \$M0.50, equivalent to 11.71p to make a total of 15.56p gross against 11.54p gross for the previous year.

All dividend forecasts are made subject to the transfers of domicile becoming effective. In London yesterday, Malayan rose 2p to 237p; Southern Malaysian 6p to 158p; and Southern Kinta 3p to

CORAL HAS OVER 50% OF CENTRE

Coral Leisure has acquired shares in Centre Hotels (Cranston) which, together with other undertakings, following Coral's bid on the group, amount to 50.2 per cent of the issued capital of Centre.

Profits rise seen by J. Menzies

Budgets at newsagents John Menzies (Holdings) indicate a further increase in profits, although there seems little prospect of any rise in living standards before the end of the year. Mr. John Menzies, chairman,

says: "In the retail division the current year has started well with sales running above budget. The division is poised to take advantage of any upturn in consumer expenditure, he tells members in his annual statement.

In the retail division the current year has started well with sales running above budget. The division is poised to take advantage of any upturn in consumer expenditure, he tells members in his annual statement.

The re-organisation and strengthening of product management has been essentially completed. The benefits should commence in the current year, new investment has been directed primarily towards improvements in fittings and layouts of existing outlets. The net addition to sales space of 4 per cent is the lowest for some years and followed the decision to restrict debt at the interest rates then prevailing.

The retail venture in France, undertaken in very different economic climate, has not fulfilled hopes. Large additional resources would have been required to achieve success. Further investment could not be justified and, regrettably, closure was decided to be safe.

As reported on April 20, pre-tax profit for the year to January 29, 1977, rose from £2.72m. to £3.1m. on turnover up from £12.44m. to £14.41m.

Cash reserves increased by £1.07m. (£1.47m.) and there was a £1.5m. decrease (£1.5m. increase) in term loan.

Meeting, Edinburgh, May 27, 12.15 p.m.

ASSOCIATES DEALS

Rober Fleming and Co. on April 29 bought 10,000 Pilkington Brothers shares at 32p for associates being discretionary investment clients.

Lazard Brothers sold on behalf of discretionary investment clients 15,000 Davy International at 196p.

W. L. Carr, Sons and Co. purchased on behalf of Charterhouse Japhet, advisers to Corral Leisure, the following Ordinary shares in Centre Hotels (Cranston)—200,000 shares at 72p, 1,200,000 shares at 54p, 2,400,000 shares at 50p, 50,000 shares at 54p, 2,400,000 shares at 50p, 50,000 shares at 54p.

Lazard Brothers and Co. yesterday sold, on behalf of discretionary investment clients 25,000 Davy Int'l. Ord. shares at 260p.

GOUGH COOPER

Gough Cooper and Co. has bought Edwards and Co. (Longfield), builders merchants, Dartford, Kent, for £430,500 cash.

TOOTAL Sales and exports up. Earnings doubled.

Preliminary results for the year ended 31st January 1977.

	£ million	Increase on 1975/76
SALES	324.6	+26%
EXPORTS from U.K.	45.1	+32%
PROFIT before Tax	17.8	+95%
EARNINGS on Ordinary Share Capital	9.4	+100%
EARNINGS per Ordinary Share	5.9p	+74%
DIVIDENDS per Ordinary Share (Gross equivalent)	3.75p	+10%

Group profits for the second half of the year were nearly double those for the corresponding period last year. Virtually the whole of this improvement derived from the U.K. textile activities which benefited from improved trading conditions and also from a reshaping of major sections of the business.

The Board feels that optimism is wholly justified, despite the uncertainties of the political and economic climate. In the light of the trend of profits, the Board recommends the maximum permissible increase in the Ordinary Dividend.

The Report and Accounts will be posted to shareholders on 27th May 1977 and the Annual General Meeting will be held in Manchester on 22nd June 1977.

Tootal Limited, 56 Oxford Street, Manchester M60 1HJ



The British Oil Company

The Strength of Ultramar

Extracts from the Statement by the Chairman, Mr. Campbell Nelson

The year in brief

The financial results for 1976 were, on the whole, satisfactory. Group profit before taxation was £16.5 million and net earnings £11.3 million. These results were, however, markedly below the 1975 levels, mainly because the adverse market conditions I referred to in my Statement last year persisted, particularly in our Quebec, Ontario and UK marketing operations.

In 1976 we had a Rights Issue, and two major loan financings. This injection of new funds enabled us to repay some short term loans, maintain our heavy capital expenditure programme and increase our working capital. As a result the Group Balance Sheet shows a much stronger position.

Where our strength lies

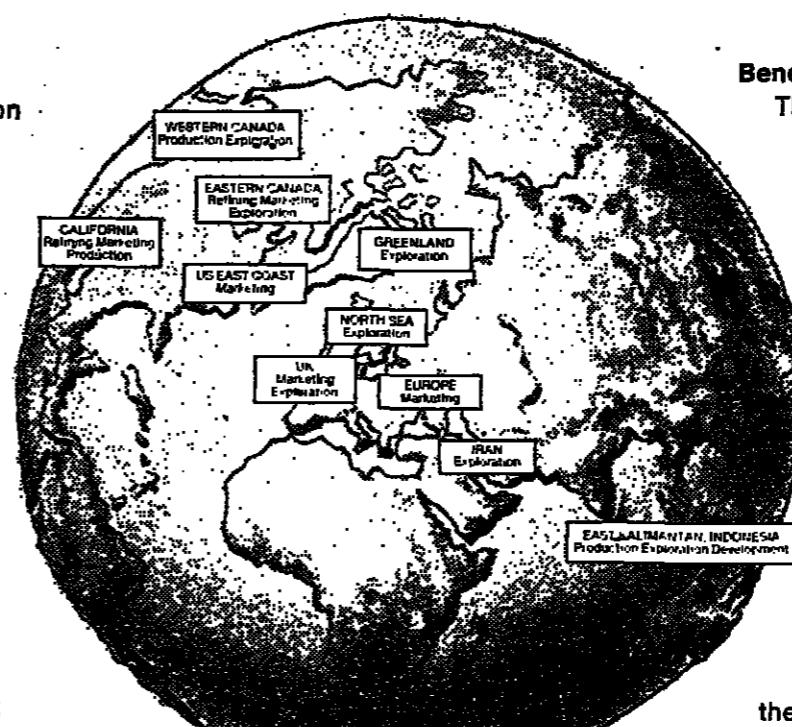
The strength of Ultramar is that it is a multinational integrated oil operation. It operates or buys or sells or has trading interests in twenty countries, and has oil and gas reserves in Indonesia, Western Canada and in the U.S.A., which we report for the first time in the Annual Report.

Even when the nationalisation of Venezuelan oil occurred at the end of 1975 Ultramar was able to absorb the loss of its oil reserves and royalties in that country and yet come up with its second best ever earnings the following year.

SECURITIES LIMITED

Part of the French community in Africa formerly known as French West Africa or French Equatorial Africa, the Republic of the Congo, now known as Zaire, has been at war since 1972. The outcome has replaced the CFA franc. The exchange rate was at a rate of CFA Frs 1 to one unit of the new currency.

General rates of oil and trade exchange rates have lately been reported to stand



Benefits to shareholders

These two large investments could not have been possible without the forbearance, year after year, of shareholders over payment of cash dividends. I ask you to be patient for a little longer and let us show you the full results of your forbearance.

While we are projecting sharply reduced capital expenditures in 1977, our objective remains controlled, profitable growth.

At the same time we are looking to increased benefits from recent capital investment out of which to begin the payment of cash dividends.

Thanks to staff

1976 was a testing year for the Staff of the Group. They stood all the strains and stresses, and I admire them greatly and thank them all on your behalf.

Outlook

There is great confidence in the Group that we shall do well in 1977. How much better is difficult to predict partly because of the uncertainty over currency exchange rates.

Operationally there has been a turn around in the difficult areas as well as a continuation of good performance in the areas in which we did well in 1976. In addition we expect to have the appreciable new source of profits from Indonesia gas and condensate in the second half of 1977.

The Annual General Meeting will be held at Winchester House, Old Broad Street, London EC2 on Wednesday 25th May at 11.30 a.m.

To obtain a copy of the 1976 Annual Report please complete and return the coupon below.

Summarised financial results

Sales
Profit before taxation
Taxation
Net earnings
Capital expenditures
Earnings per ordinary share:
Basic
Fully diluted
Ordinary share distribution

	1976 £'000	1975 £'000	1974 £'000	1973 £'000	1972 £'000
Sales	571,875	275,344	251,454	171,728	123,041
Profit before taxation	16,477	22,574	14,449	9,685	6,391
Taxation	5,220	6,154	3,864	985	319
Net earnings	11,257	16,420	10,785	8,700	6,072
Capital expenditures	32,655	34,299	18,493	17,183	21,194
Earnings per ordinary share:					
Basic	29.0p	45.2p	29.7p	24.0p	17.5p
Fully diluted	27.0p			Not applicable	
Ordinary share distribution	1 for 15	1 for 15	1 for 15	1 for 20	1 for 25

Ultramar Company Limited

To: The Secretaries
Ultramar Company Limited,
2 Broad Street Place, London EC2M 7EP.

Name _____

Address _____

Ultramar hopeful of dividend payment

FOR
the
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DATA
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NEWS
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Chairman.

IN SPITE of projecting sharply the latter has so far been giving whereby these unsecured loan stocks would become debenture stocks.

The accounts for 1977 show that contracts and commitments reduced capital expenditures in a return commensurate with the objective at Ultramar investment. The directors expect Quebec profitable growth, looking to increased benefits from recent capital investments out of which to begin the payment of cash dividends, states Mr. G. L. Nelson, chairman.

The accounts for 1977 show that contracts and commitments not provided for in the accounts amount to about £6.8m. (£7.6m.) that authorised but not contracted for totals £0.8m. (£1.25m.). The chairman says the company is about £1.0m. of which £1.1m. has been earmarked for exploration and production, principally in Indonesia and western Canada.

The chairman says there is a great confidence that the group will do well in 1977. How much better is difficult to predict partly because of the uncertainty over currency exchange rates, he says. So far, exchange loss is expected in 1977.

Operationally there has been a turn-around in the difficult areas as well as a continuation of good performance in the areas in which the company did well in 1976. In addition the appreciable new source of profits is expected from Indonesia, Iran and Venezuela in the second half of 1977.

With regards Quebec, Ultramar has not so far seen an acceptable return on its investment but Mr. Nelson is confident that it will. "We have under consideration improving the economics of the Quebec refinery by installing a catalytic cracker unit but that shall have to determine the time frame because of economic and political uncertainties. Even without this improvement the outlook for 1977 in our Quebec operation is better than the results for 1976," he states.

Referring to reserves in the North Sea, Mr. Nelson says a decision still has to be made to develop the Lauren and Abell fields in Block 12/27 and further drilling is required to assess the potential of the Renée discovery in Block 13/27. Ultramar has a 6 per cent. interest in all these oil discoveries.

In his report Mr. L. R. Benson, chief executive officer of operating companies, says that for the decade ended 1976 the group had total capital expenditure of £20m. This was partly generated from internal cash flow, but also partly by outside borrowing and new equity funds. The major capital investments were in Quebec, Indonesia, Iran, Ecuador, U.K. and Western Canada. Only secured loan stock 1974-83

Tysons steady at £0.79m.

A small increase in pre-tax profit from £742,083 to £756,172 is disclosed by Tysons Contractors for 1976 after being combined with the undertaking and assets of Anglo-Canadian and guaranteeing subsidiaries in consideration for stockholders agreeing to certain amendments to the terms of the trust deeds constituting the stock. The amendments include inter alia the cancellation of the conversion rights attaching to the 9½ per cent. partly convertible stock.

Meetings to consider these proposals are being convened for May 23, and a letter to stockholders explaining the proposals and convening the meetings will be posted shortly, it is stated.

Safeguard ahead at half time

Revenue before tax of Safe Guard Industrial Investments rose from £0.25m. to £0.29m. in the six months to March 31, 1977.

The theoretical break-up value of the company at March 31, 1977, taking quoted investments at market value and unquoted investments at valuation, deducting accrued dividends and the par value of the Debenture Stock but before deducting the liability to Captain Gains Tax is equivalent to 75.3p per 25p share compared with 60.8p at September 30, 1976.

The interim dividend is 1p per share (same). Last year's payment was 3.1p and profits £0.36m.

Call to lift curb on cash exports

A call to the Government to stop restricting the export of crude oil is made by Mr. Joseph Godber, chairman of Tricentrol.

Mr. Godber, who is also an MP, claims that the Exchange Control Act of 1947, with its various amendments and edicts handed down successive Chancellors, has failed in its purpose.

It is a misnomer of the statute book restricts British business overseas, he adds.

It is a myth that growth in investment overseas by British companies has weakened the British economy; indeed the reverse is the case. Strong British companies are an essential feature in Britain's recovery not only in its domestic economy but politically in its status in Europe and the world.

The benefits to Britain of self-sufficiency in oil and gas will provide a strengthening of sterling on external accounts and create an opportunity for British business to move forward to develop the British presence in the Third World in partnership with local national interests.

It is far better to channel ster-

ling through the disciplines of the free market economy than dissipate it through aid grants and long-term loans, he adds.

According to Mr. Godber,

Tricentrol's future is an oil-

gas company, the most promis-

ing provided the Thistle Field

comes up to expectations and the British Government ceases to

restrict the export of sterling. The long-term prospects for overseas exploration will depend to a large extent on some relaxation of the stringent policies on ex-

change control.

During 1976 Tricentrol's pro-

fits probably sharply from

£0.9m. to £2.8m. Steady growth

in profits is expected in the

current year and the long-term

prospects are "much more

exciting."

Bridon to benefit from improving demand

A SLOW but general recovery in demand for its products should benefit Bridon in 1977. However, with substantial unused capacity in modern plants, the group cannot expect to achieve full potential profitability until world trade improves, says Mr. Harry Smith, the chairman.

He reports good progress on three important new projects. One of them, a wire rope plant in Venezuela, is due to start production this month. The wire-drawing facility for Bridon American Corporation and a project in Iran which will initially produce wire rope and fibre cordage, are both expected to start up in the second half.

Production of wire will be introduced in Iran in 1978.

The recently announced wire rope making unit in Indonesia being set up in conjunction with the Poleso Group, should also start production next year.

At year-end, short-term borrowings showed a net increase of £1.8m. (down £2.8m.). Long and medium term loans were up £2.5m. (down £8.6m.).

Mr. Smith says that the profit outcome was rather better than the director's forecast, "despite a spate of setbacks in South Africa and North America.

In South Africa the sudden fall

in the price of gold led to a decline in mining and general industrial activity, together with a cutback in Government spending.

Demand for wire rope was low in South Africa due to the general state of the economy and particularly that of heavy industry.

Capital spending during the

year, including plant transferred to leasing companies, totalled £8.7m. Of this expenditure on land and buildings accounted for £1.4m. and plant, vehicles and equipment £7.4m. Plant transferred to leasing companies was £1.3m. bringing the total being leased to £2.4m.

At year-end contracts for

capital expenditure totalled

£8.1m. including £6.2m. for Bridon American Corporation. Of

the further £2.5m. authorised

£1.8m. is for Bridon Wire in the

U.K. Meeting, Connaught Rooms,

WC, on May 26, at noon.

British Steel Construction

The chairman of British Steel Constructions stated at the AGM that, both Quater Hall and the floor-covering group were operating profitably and he anticipated that the group would make a profit for the first year.

Legal proceedings concerning the capital of Quater Hall would be a protracted business and could well take as long as two years to resolve.

Because of this delay the Board proposed notwithstanding the difficulty surrounding Quater Hall to put forward reconstruction proposals which would involve a Scheme of Arrangement during the course of the next few months.

The informal committee of creditors had approved this proposal said the chairman.

TOOTAL

Tootal announces that it has now received acceptances of the offer for the capital of Slimme Group Holdings representing over 90 per cent. of the Ordinary Capital (following the capitalisation issue) and over 90 per cent. of the Preference shares. Tootal intends to acquire compulsorily the outstanding shares.

CHEMRING
Chemring has acquired Vacuum

Reflex, a private company manufacturing a range of protective clothing, etc., for £25,000 satisfied by 32,197 shares and balance of £24,375 cash.

L.B.I. Base Rate

Lloyds Bank International Limited announces that, with effect from 3rd May, 1977, its

Base Rate, applicable to all its U.K. branches, is reduced from 9% to 8½%.

The rate of interest allowed on seven-day notice deposits will be 4%.

LLOYDS BANK INTERNATIONAL

40/66 Queen Victoria St, London EC4P 4EL Tel 01-241 9822

Lloyds Bank Base Rate

Lloyds Bank announces that, with effect from Tuesday, May 3rd, 1977, its Base Rate for lending is reduced from 9% to 8½%.

The rate of interest on 7-day notice Deposit accounts and Savings Bank accounts will be 4%, a decrease of 1%.



YORKSHIRE BANK BASE RATE

With effect from May 3 1977 our Base Rate will be changed

from 9% to 8½% p.a.



YORKSHIRE BANK LIMITED

Reg. Office : 2 Infirmary Street, Leeds, LS1 2UL

Midland Bank Base Rate

Midland Bank Limited announces that with effect from Tuesday May 3rd 1977, its Base Rate is reduced by ½% to 8½% per annum.

Deposit Accounts.
Interest paid on accounts held at branches and subject to 7 days notice of withdrawal is 4% per annum.



Midland Bank

Williams & Glyn's

announces that the following rates will apply from and including Tuesday, 3rd May

Base rate . . . 8½% p.a.

Deposit rate . . . 4% p.a.

WILLIAMS & GLYN'S BANK LTD

Lewis's Bank Base Rate.

Lewis's Bank announces that, with effect from Tuesday, May 3rd, 1977, its Base Rate for lending is reduced from 9% to 8½%.

The rate of interest on 7-day notice Deposit accounts and Savings Bank accounts will be 4%, a decrease of 1%.



Our business is merging your business successfully.

36 CHESHAM PLACE LONDON SW1, 01-235 4511

The Low & Bonar Group Limited

1573 King Street Dundee Scotland DD1 9JA Telephone Dundee 241111 Telex 76103

Packaging-Engineering-Textiles-Floorcovering

Illustrated by John Brodrick and
Produced by the Marketing Department

Jay 10 1550

These particulars are issued in compliance with the requirements of the Council of The Stock Exchange for the purpose of giving information to the public with regard to Bucknall Trust Limited ("the Company") following the offer by Bremer Holdings Limited ("Bremer") for the issued share capital of the Company and are not an invitation to any person to subscribe for or purchase any shares in the Company.

The Directors of the Company collectively and individually accept full responsibility for the accuracy of the information given in relation to the Company and its subsidiary, Bucknall Finance Limited, (together referred to as "the Group") and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement in these particulars in relation thereto misleading.

Application has been made to the Council of The Stock Exchange for all the issued ordinary shares in the Company to be admitted to the Official List.

BUCKNALL TRUST LIMITED

(Incorporated in England under the Companies Act 1963 to 1970 no. 22450)

Authorised

Share Capital

£1,000,000 divided into 4,000,000 Ordinary Shares of 25p each

Issued fully paid

£600,000

Except for inter-Group transactions, the Group does not have any outstanding mortgages, debentures, loan capital, bank overdrafts or similar indebtedness, hire purchase commitments or guarantees, or material contingent liabilities.

Directors
Erwin Brecher, Chairman
86 North Gait
Prince Albert Road
London NW8

Lord Pender of Portcherron
North Court
Tilmanstone, Kent

Michael John St. George Kelton
Pipers Well
Chart, Farnham
Surrey

Piers Michael Godfrey
44 Bloomsbury Square
London WC1

Russell Edgar Collin-Jones
8a Canbern Road
London SE7

Michael Eric Stephen William Brecher, LLB.
64 Ember Farm Way
East Molesey
Surrey

Secretary and Registered Office
David Michael Geoffrey Welch, Solicitor
24 Austin Friars
London EC2

Brokers
Burges & Co.
25 Worship Street
London EC2 and The Stock Exchange

Bankers
Midland Bank Limited
Poultry
London EC2

Registers and Transfer Office
Midland Bank Limited
Registrars Department
Courtwood House
Silver Street Head
Sheffield, Yorkshire

Solicitors
Jaques & Co
2 South Square
Gray's Inn
London WC1

Auditors
Deloitte & Co, Chartered Accountants
123 Queen Victoria Street
London EC4

General
On 18th March, 1977, being the closing date of the offer made by Bremer on 28th February, 1977 of 25p for each of the issued ordinary shares already offered by the Offer, 1,000,000 additional shares had been offered by Bremer representing 16.7 per cent of the issued share capital in accordance with the requirements of the Council of The Stock Exchange. The Company requested that the listing of the issued ordinary shares in the Company be temporarily suspended pending publication of these particulars.

Pursuant to arrangements made by Bremer with Burges & Co., Burges & Co. has placed £400,000 of the ordinary shares received under the Offer at a price of 25p per share. Bremer is therefore interested in 1,400,000 ordinary shares in the Company representing 35.2 per cent of the issued share capital.

Bremer has informed the Company that it intends to retain a substantial interest in the Company but that it has no intention at present of increasing its interest in the Company.

The Company was incorporated on 22nd September, 1976 under the name "Henry Bucknall & Sons, Limited" and carries on, and will continue to carry on, the business of an investment trust.

Management

Since the closing of the Offer the following have been appointed to the Board of the Company and are now the only directors:

Mr. Erwin Brecher, Chairman of Bremer, who is Chairman of the Company.

Lord Pender who was for many years associated with and a director of a substantial group of investment trusts and is currently working in the investment field.

Mr. M. J. St. G. Kelton, a member of The Stock Exchange and a partner in the firm of Rachael Zorn who has spent 20 years in the investment field, 12 of them in the investment department of a leading merchant bank.

Mr. R. E. Collin-Jones who has spent 16 years in the investment field, the last ten being in the management of investment trusts. He is currently a fund manager with a well-established investment trust with assets totalling £100 million.

Mr. E. S. W. Brecher, a director of Bremer for the last four years.

Investment Policy

The Board intends that the investment portfolio of the Company will consist predominantly of equity and gilt-edged securities listed on The Stock Exchange. It has no intention at present to invest overseas but it will consider opportunities to do so as and when they arise.

Medium and long-term gilts, oils, electronics, motor components and engineering will be sectors on which the Board will initially concentrate but the investment strategy will be reviewed in the securities of any one company unless it is an investment trust approved by the Island Revenue under Section 339 of the Income and Corporation Taxes Act 1970 (as amended) ("ICTA"). The Board will generally be seeking capital growth with due regard to income and will look favourably on export-oriented companies. It does not intend at present to invest in mineral rights, however, it may do so in the future. The Board will not invest in oil exploration, gas extraction, land reclamation, in proportion to which in any event will include holdings in which the Company's interest exceeds 20 per cent of the equity capital of any listed company, nor exceed 33 per cent of the portfolio which may be invested in unlisted securities. The Board will only consider unlisted shares which afford exceptionally attractive prospects of growth and security.

Investment Trust Status

The Board of the Company intends to ensure that so far as possible the Company fulfils the conditions for approval as an investment trust laid down in Section 338 of ILTA and to apply to the Island Revenue for approval of the Company as an investment trust. Subject to such approval being granted, capital gains realised by the Company on the disposal of its shares are liable at a lower rate (presently 17.5 per cent) than if the Company were not an approved investment trust.

ACCOUNTANTS REPORT

The following is a copy of the Report by Deloitte & Co. addressed to the directors of the Company:

28th April, 1977

The Directors,
Bucknall Trust Limited.

Gentlemen,

We have examined the audited accounts of the group which comprises Bucknall Trust Limited (the company) which carries on the business of an Investment Trust, and its wholly owned subsidiary Bucknall Finance Limited, which carries on the business of an investment dealing company for the five years ended 31st March, 1976 and for the interim period 1st April, 1976 to 18th March, 1977 (the relevant accounting periods).

We have been auditors of the Company and its subsidiary in respect of all the relevant accounting periods.

2. The summaries of revenue in paragraph 4, balance sheets in paragraphs 5 and 6, sources and application of funds in paragraph 6 are based on the audited accounts after giving effect to the consideration of the audited accounts for the relevant accounting periods. In respect of the application of funds in paragraph 6 give, on the basis of those policies, a true and fair view of the results and source and application of funds for the relevant accounting periods and of the state of affairs at the end of each such period.

STATEMENT OF ACCOUNTING POLICIES

The accounting policies adopted throughout the relevant accounting periods are as follows:

(1) The carrying amounts of assets are based on the historical cost less of accumulated depreciation.

(2) The gross amounts for income from investments on a cash received basis.

(3) Investments held by the company are stated at cost, less the proceeds of partial realisations, and after making provision for permanent diminution in value. The profit or loss on partial realisations is only taken to capital reserves when the cost of the holding is completely recovered.

(4) Investments held by the dealing subsidiary are stated at the lower of cost less the proceeds of partial realisations and market value. The profit or loss on partial realisations of investments is only taken to revenue account when the cost of the holding is completely recovered.

4. SUMMARY OF GROUP REVENUE

Period

Years ended 31st March

1972 1973 1974 1975 1976 1977

18th March

Notes

1 DIVIDENDS AND INTEREST

2 TRADING PROFIT

3 SHAREHOLDERS' EQUITY

4 UNDERWRITING

5 TOTAL INCOME

6 EXPENSES

7 BANK INTEREST

8 EXCEPTIONAL ITEMS

9 REVENUE BEFORE TAX AND EXTRAORDINARY ITEMS

10 TAXATION

11 RETAINED REVENUE

12 DIVIDENDS AND INTEREST

13 DIVIDENDS AND INTEREST

14 BANK INTEREST

15 OTHER INVESTMENTS

16 UNPAID DIVIDENDS

17 DEFERRED COMMISSION

18 D EXCEPTIONAL ITEMS

19 INVESTMENT IN SUBSIDIARY

20 CREDITORS ADJUSTED

21 HIRING FEE ADJUSTMENTS

22 NET INCOME

23 PERIOD

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14 BANK INTEREST

15 OTHER INVESTMENTS</p

This advertisement appears as a matter of record only.



General Foods, Limited

(Incorporated under the laws of Canada)

Can. \$25,000,000

8½% Notes 1984

Wood Gundy Limited

Credit Suisse White Weld Limited

Deutsche Bank Aktiengesellschaft

Goldman Sachs International Corp.

Lehman Brothers Incorporated

Union Bank of Switzerland (Securities) Limited

Alahli Bank of Kuwait (K.S.C.)	Algemene Bank Nederland N.V.	A. E. Ames & Co. Limited
Amsterdam-Rotterdam Bank N.V.	Bache Halsey Stuart Inc.	Julius Baer International Limited
Banca Commerciale Italiana	Banca del Gottardo	Banca Nazionale del Lavoro
Bank Guzzwiller, Kurz, Bungener (Overseas) Limited	Bank Heusser & Cie. AG	Bank of America International
Bankers Trust International Limited	Bankhaus Hermann Lampe Kommanditgesellschaft	Bank Leu International Ltd.
Banque Bruxelles Lambert S.A.	Banque Générale du Luxembourg S.A.	Banque Internationale à Luxembourg S.A.
Banque Louis-Dreyfus	Banque Nationale de Paris	Banque de Neufchâtel, Schlumberger, Mallet
Banque de Paris et des Pays-Bas	Banque Populaire Suisse S.A. Luxembourg	Baring Brothers & Co. Limited
Bayerische Hypotheken- und Wechsel-Bank	Berliner Handels- und Frankfurter Bank	Burns-Fry Limited
Caisse des Dépôts et Consignations	Chase Manhattan Limited	Citicorp International Group
Continental Illinois Limited	Credit Commercial de France	Credit Industriel et Commercial
Creditanstalt-Bankverein	Credito Italiano	Daiwa Europe N.V.
Deutsche Girozentrale-Deutsche Kommunalbank	Dominion Securities Limited	Dresdner Bank Aktiengesellschaft
Dillon, Read Overseas Corporation	Dreyfus Boston (Europe) Limited	Effecenbank-Würzburg
European Banking Company Limited	First Boston (Europe)	First Chicago
The Gulf Bank	Hambros Bank	Greenshields Incorporated
Kidder Peabody International Limited	Hill Samuel & Co. Limited	Khalid Commercial Bank Limited (Abu Dhabi)
Kuwait Foreign Trading Contracting & Investment Co. (S.A.K.)	Kleinwort, Benson Limited	Kredietbank N.V.
Kuwait Investment Company (S.A.K.)	Léveque, Beaubien Inc.	Kredietbank S.A. Luxembourgeoise
London Multinational Bank (International) Limited	McLeod, Young, Weir & Company Limited	Manufacturers Hanover Limited
Merrill Lynch International & Co.	Samuel Montagu & Co. Limited	Morgan Stanley International
The Nikko Securities Co., (Europe) Ltd.	R. Nixon & Co. Limited	Nesbit, Thomson
Pictet International Limited	W. C. Pitfield & Co. (London)	Nomura Europe N.V.
N. M. Rothschild & Sons Limited	PKbanken	Orion Bank Limited
J. Henry Schroder Wagg & Co. Limited	Salomon Brothers International Limited	Richardson Securities of Canada
Société Générale	Société Générale de Banque S.A.	Sociedad Financiera Asociativa (SOFIAS) Gruppo RAS
Swiss Bank Corporation (Overseas) Limited	Strauss, Turnbull & Co.	Svenska Handelsbanken
Verband Schweizerischer Kantonalbanken	Vereins- und Westbank Aktiengesellschaft	Union de Banque Arabes et Françaises (U.B.A.F.)
Wardley Limited	Westdeutsche Landesbank Girozentrale	Yamaichi International (Europe) Limited

All these notes have been sold. This announcement appears as a matter of record only.



Republic of Bolivia

U.S. \$15,000,000 10½% per cent. Notes due 1982

(Extendable at Noteholders' option to 1987)

Issue Price 100 per cent

Arab Finance Corporation S.A.L. Merrill Lynch International & Co.

Libyan Arab Foreign Bank

Bank of America International Limited

First Chicago Panama S.A.

Amex Bank Limited

Swiss Bank Corporation (Overseas) Limited

Union de Banques Arabes et Françaises - U.B.A.F.

Westdeutsche Landesbank Girozentrale

Adels Investment Company S.A.	Alahli Bank of Kuwait (K.S.C.)	Algemene Bank Nederland N.V.
Al Saudi Banque American Express Middle East Development Co. SAL	ASEAM Capital Corporation Limited	Bache Halsey Stuart Inc.
Bache Halsey Stuart Inc.	Banco Latino, C.A.	Bancom International Limited
Bankhaus Hermann Lampe Kommanditgesellschaft	Banque Belge pour l'Industrie S.A.	Bank of Helsinki Limited
Banque du Crédit Populaire S.A.L. (Beyrouth)	Banque Européenne pour le Moyen-Orient (France) S.A.	Banque Bruxelles Lambert S.A.
Banque Française de Commerce Extérieur		Banque Nationale de Paris
Banque Populaire Suisse S.A. (Luxembourg)		Bayerische Hypotheken- und Wechsel-Bank
Beirut Riyad Bank SAL	Bergen Bank	Byblos Arab Finance Bank (Belgium) S.A.
Byblos Bank S.A.L.	Compagnie de Banque et d'Investissements (Underwriters) S.A.	
Compagnie Luxembourgeoise de la Dresdner Bank (Dresdner Bank International)	Credit du Nord	Credit Industriel et Commercial
Credit Lyonnais	Richard Daus & Co. Bankiers	Deutsche Bank Aktiengesellschaft
Deutsch-Suedamerikanische Bank Aktiengesellschaft	Dresdner Bank Aktiengesellschaft	Drexel Burnham & Co. Incorporated
Europacash Co. (Qatar) Limited	First Chicago	Eastman Kodak Company
Genossenschaftliche Zentralbank AG Vienna	Antony Gibbs & Sons Limited	Hessische Landesbank -Girozentrale
E. F. Hutton & Co. N.V.	International Marine Banking Co. Limited	Iridium Bancario San Paolo di Torino
Kuwait International Finance Co. s.s.k. (KIFCO)	Kuwait International Investment Co. s.s.k.	Kuwait International Investment Co. s.s.k.
Kuwait Investment Company (S.A.K.)	Libra Bank Limited	Lloyds Bank International Limited
Middle East Bank (France) S.A.	Nesbit, Thomson Limited	Nomura Europe N.V.
Singapore Nomura Merchant Banking Limited	Skandinaviska Enskilda Banken	J. Henry Schroder Wagg & Co. Limited
Société Financière de Beyrouth	Société Générale de Banque S.A.	Sociedad Financiera Union C.A.
Strauss, Turnbull & Co.	Svenska Handelsbanken	Trade Development Bank Overseas Inc.
Union Bank of Switzerland		Union Bank of The Middle East Ltd. - Dubai
Union de Banques Arabes et Européennes S.A. (U.B.A.E.)		United Overseas Bank Limited, Singapore

April, 1978

Vereins- und Westbank Aktiengesellschaft

Vereins- und Westbank Aktiengesellschaft

INTERNATIONAL FINANCIAL NEWS

Volkswagen returns to profits

BY GUY HAWTHORN

VOLKSWAGEN, the West German motor manufacturer, swept back to profit in 1976, with earnings which wiped out the losses of the previous two years. This year the concern is expecting a further improvement in earnings.

Group net profits in 1976 totalled DM1,004bn. (\$246.7m.) which more than covered the DM507m. loss reported in 1974 and the 1975 deficit of DM157m.

While shareholders were well prepared for the good news the surprise has been that the motor manufacturer will again be paying a dividend. In December last year it was reported that although a dividend had not been specifically ruled out, one was unlikely.

As it is, the group's management is recommending a payout of 10 per cent, or DM5 per DM150 nominal share. This will be the first time that the shareholders have received anything since 1973.

Last year the Volkswagen group worldwide delivered 2.1m. motor vehicles. Therefore, despite the group's difficulties in Mexico and continued setbacks in the United States, Volkswagen managed to surpass the previous

which was a full 13.6 per cent up on the previous year's level. Deliveries from its group dealerships, both at home and abroad, rose by 23.1 per cent to DM8.1bn. This was a far stronger improvement than in Volkswagen's overseas sales which put on 8.5 per cent to reach DM13.3bn. and foreign sales as a proportion of total turnover declined from 65.3 per cent to 62.3 per cent.

The decline in overseas sales reflects the massive drop in Volkswagen's popularity in the United States. Replacement of the ageing "beetle" models with the Americanised version of the "Golf" model, called the "rabbit", failed to halt the effects of Japanese competition which consistently undercut VW prices.

It remains to be seen whether last year's decision to invest in a U.S. assembly plant will restore the group's former dominance of the U.S. small car market.

The concern's chief executive, Herr Toni Schumacker explained that the fall in sales in America had been largely a result of the high production costs in the Federal Republic as well as the unhealthy exchange rate relationship between the Deutsche Mark and the dollar.

Toni Schumacker

World-wide production increased by 11.1 per cent to 2.17m. units. At the same time investment at home abroad went up by 21.3 per cent to DM14.6bn. In Germany totalled DM5.7bn. up 20 per cent on the previous year - of which the bulk went to rationalisation measures as well as tooling up for the production of new models.

During the current year, Herr Schumacker expects a further increase in profits. So far, figures for the first four months show deliveries world-wide standing at 750,000 units, some 9 per cent on the previous year.

Toyota offers stock

TOKYO, May 2

TOYOTA MOTOR said it would offer 37.5m. shares of its company stock by public subscription, market value to be fixed later with payment required by June 20.

Toyota said it would also make a one-for-10 bonus issue to shareholders in mid-June, resulting in a capital increase to Y63.2bn. (Y61.6bn.).

Toyota said 36.5m. of the proceeds are expected to be part of its capital outlay plan totalling Y160bn. for the fiscal year ending June 1978.

It also plans a one-for-20 bonus stock issue in December and again in June 1978 to return to shareholders' premiums arising from the planned public offering.

Reuter

Penney sells five stores

By Paul Betts

ROME, May 2

ONE OF Italy's leading department store and supermarket groups, Rinascita-Uipm, which owns more than 250 sales distribution points in Italy, and the U.S. Penney Group, the world's second largest textile chain store network, have signed an agreement whereby the Italian concern will buy the American company's five department stores in Milan region.

The deal, however, will subsequently see the American company take a direct interest in Rinascita-Uipm, in which the Agnelli family's financial holding company, IFI, currently holds the largest single stake amounting to 15 per cent.

The board also referred to the different ideas and expectations on dividends in West Germany and Holland. Since Estel was a non-national company, a solution had to be found to take into account practices in both countries, it said.

ENI profits

THE ITALIAN state hydrocarbon group, Ente Nazionale Idrocarburi (ENI), has reported a consolidated profit of L23.8bn. (about £16m.) compared to a group loss of about L120bn. the year before. But this is set after using L112.6bn. from reserves and payment to the parties.

Loss of kr.262m. at Uddeholms

BY JOHN WALKER

UDDEHOLMS, the Swedish steel and forest products concern, reports a loss of Kr.262m. for its operations in 1976 in the annual report.

Sales during the year rose by 2.8 per cent to Kr.2.24bn. over the 1975 figure. Costs for 1976 went up by 16.2 per cent to Kr.2.24bn.

A series of measures to improve profitability and the financial position are being undertaken, Mr. Gunnar Westman, the managing director, writes in the report. The Board proposes not to pay a dividend for 1976.

The bank's capital base in preparation for continued expansion of business. In mid-April, the bank announced the issue of Kr.100m. of subordinated "capital" bonds for the same period.

ABN is Holland's most internationally active bank with 200 offices outside the country. In 1976, earnings rose by 10.4 per cent.

ABN's rights issue will reinforce the bank's capital base in preparation for continued expansion of business. In mid-April, the bank announced the issue of Kr.100m. of subordinated "capital" bonds for the same period.

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The

The Financial Times Tuesday May 9 1977

INTERNATIONAL FINANCIAL AND COMPANY NEWS

Hofman saved by banking help

BY OUR OWN CORRESPONDENT JOHANNESBURG, May 2.

ONE OF SOUTH Africa's largest, taking no chances and is trading property owning and development companies, Hofman, has been saved from liquidation by the banks. At the last available balance sheet in June 1976, the group owned a property portfolio worth R5m; but was locked into an ambitious development programme which was expected to cost at least R11m to complete.

Hofman provides a classic case of the developer who, though the going times could not end and which now finds itself saddled with a huge letting problem on recently completed projects. Most of the new space is coming on stream in Durban and the oversupply of office space is the most critical.

The rescue operation consists of two stages. First the banks have taken over certain properties themselves, and in particular those that carried the names of the banks concerned, which has the effect of exercising some of the worst reverse gearing elements of the portfolio and of reducing Hofman's capital commitments from R11m to R4.3m.

The second stage is for the banks to make available R5.5m new cash by way of low (7.5 per cent) convertible preference shares to allow completion of the building programme and also to fund the remaining expected negative cash flow over the next fifteen months. However, Hofman is by no means completely out of the woods, for the banks have effectively only granted the group one year to let its new developments.

Before the restructuring Hofman had a net worth of R35m. 25 cents a share. This has been reduced to R20m, or 8 cents a share, which after being into account deduction of the new preference will reduce it to 96 cents. The company expects that this reorganisation would allow it to return to profitability in the financial year June 1978 but the market is

Sperry Rand net rises 8% to record

Y. DONALD MACLEAN

S PERRY RAND Corporation's income in the year to end March rose 7.8 per cent to a record \$156.8m., from \$146.3m. in 1975-76. Revenue, also a record, was \$3.27bn., against \$3.0bn. "A sluggish European economy, major businesses led by the best bookings quarter, a slow recovery" in the computer

PARIS BOURSE

Political fears stifle the market

BY DAVID CURRY IN PARIS

THE FRENCH stock exchange is now firmly established as the disaster area in French financial life. After suffering the worst in the person of M. Francois Mitterrand, the Socialist leader, the bourse, serving advanced industrial countries, it has so far this year continued its plunge, so much so that the Bourse Commission is warning that the absence of an active stock exchange could threaten the vitality of the whole liberal economic system. Last week the index of French shares fell 1.5 per cent. to 65.35 despite the intervention of institutions.

Last year the general index declined by 17 per cent., and during in French shares were down by 21 per cent. Even including the relatively vigorous bond sector, total dealings declined by more than 5 per cent. while the year saw new share issues of only Frs.1.3bn. in a fraction of the amount raised on the bond market.

The considerable loss in value of French holdings brings an indubitable risk that savers and institutional investors will turn away permanently, and in increasing numbers, from holding shares and that the Bourse will be unable to maintain its place among the country's financial bodies," comments the Bourse's report gloomily.

In the same vein it continues: "The virtual impossibility for companies to finance capital increases on the stock exchange brings in the medium term very bad economic and financial consequences since it throws companies back on self-financing which means prices rise to provide such finance. If they are not able to do this because of government's restraint of their competitive position they are thrown back on the need to rely in their growth at the cost of employment or seek credit at the cost of weakening their financial structure."

The causes for the malaise on the Bourse are the usual compound of psychological and practical. The dominant factor here is the existence of an defenders of the liberal econ-

omic state behind a comittee of Socialists united behind the interest programme. This alliance, Prime Minister M. Jacques Chirac resigned and gave way to M. Raymond Barre, a distinguished economist who immediately imposed on France a set of austerity measures to tackle inflation.

As part of the financing of the Government's anti-unemployment measures a Frs.6bn. state loan will be raised backed by exceptional fiscal advantages and probably carrying a coupon in April state-backed institutions have raised Frs.2bn. for small and medium sized industries. But the effect of the rise in the over 15 years at 11 per cent. index on numbers already faced by General de Gaulle.

M. Barre had warned that March to June would be bad months because of the need to permit 10 per cent. price increases to redress the financial situation of enterprises, private and public.

But the effect of the rise in the over 15 years at 11 per cent. index on numbers already faced by General de Gaulle, by the strikes and at the height of the polemics in the National Assembly, added to the Bourse's further concealed the distinct offer based by the state bank of President Giscard d'Estaing whose political preferences are with the centre rather than the right and whose political dream has been to create a liberal centre movement which would embrace conventional Christian Democratic and Social Democratic ideas and isolate the Gaullists on the stony deserts of the far right and the Communists in the barren fastnesses of the extreme left.

Since the crisis last Christ-mas and subsequent election defeat, a powerful and threatening opposition has added the liability of a weak government practically abandoned by the largest component of the coalition. The prospects of its being able to get through until next March look slim.

Such are the psychological factors behind the Bourse crisis. But there are also tangible problems. The main one is the simple confusion.

The existence, then, of a left-wing alliance generally believed to be with a weaker base of power is a fundamental cause of Bourse anxiety. This anxiety is compounded by doubts over whether a left-wing government could reach an accommodation with the liberal. President Giscard d'Estaing or whether a long period of political crisis would be inevitable, culminating in the President's resignation.

When the Bourse seeks refuge in the existence of an defenders of the liberal econ-

OCBC lifts profits by 7.3% to \$35m.

By H. F. Lee

SINGAPORE, May 2 GROUP PROFIT after providing for taxation, diminution in the value of assets and allocation to inner reserves at the Overseas Chinese Banking Corporation (OCBC) for the year ended December, 1976 advanced 7.3 per cent. to \$35.495m.

Net profit at the company level also rose by the same rate to \$26.16m.

Although slightly lower than the 9.1 per cent. growth rate achieved in the previous year, the group performance was better than market expectation.

No details of the group's performance are yet available but like most banks in Singapore, the group which is one of the largest banks in Singapore, has been affected by the low interest rates and poor loan demand prevailing almost throughout the whole of last year.

OCBC has declared a final dividend of 5 per cent. and a bonus dividend of 6 per cent. on its \$81 par shares, which together with the 5 per cent. interim dividend paid late last year, makes a total of 16 per cent. for the full year.

This compares with the 1975 total dividend of 15 per cent. after adjusting for the bonus share issue of one-for-five declared last year.

TNT earnings rise

BY JAMES FORTH

SYDNEY, May 2

INTERNATIONAL TRANSPORT revenue would top \$4500m. in 1977-78.

TNT was in the news recently when it admitted a mistake in accounting from its US subsidiary, Acme Fast Freight, which overstated the earnings.

The \$22.3m. involved will not be brought to account until the end of the year and will have the effect of reducing the 1975-76 earnings from \$49.88m. to \$47.75m.

Sir Peter said to-day that the senior management of ACME had since been changed and the company's resident Director in North America, Mr. Peter Thomson has assumed the role of president.

Sir Peter added that results for the Brazilian company had been particularly pleasing, while the New Zealand and Canadian operations continued to record satisfactory earnings. The 6.5 per cent. owned holdings also turned in pleasing results. Bul-

lets 13.45m. (15.14m.) Cognac from \$42.38m. to \$43.42m. which ships recently placed an order for 500m. all told into reserve to take them to Frs.1.3bn. and

turnover was up to Frs.1.31bn. against Frs.1.13bn., gross operating profit was Frs.79.45m. not just business or government but because of the general attitude of the people you meet. I think we have just about turned the corner in Australia."

Champagne sales were 19.3 per cent. to the good, at Frs.594.46m. leading to operating profits of Frs.27.71m. (10.80%). Revenue in the latest nine months rose almost 28 per cent. to \$13.45m. (15.14m.) Cognac from \$42.38m. to \$43.42m. which ships recently placed an order for 500m. all told into reserve to take them to Frs.1.3bn. and

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Shorts* Lives up to Five Years

High	Low	Stock	£	Div.	Gross	Ctr.	Yield	Ex. Red.
101	99	Treasury 1/pe 1982	101	-	11.33	7.65	-	-
99	97	Transport 1/pe 1971	97	-	4.05	7.47	-	-
100	95	Treasury Spec 1975	95	-	8.32	7.85	-	-
100	97	Treasury 10/pe 1981	97	-	5.14	7.67	-	-
104	97	Treasury 10/pe 1982	104	-	11.04	4.90	-	-
95	92	Treasury Spec 1982	92	-	3.24	6.28	-	-
102	95	Electric 1/pe 1971	95	-	10.45	4.75	-	-
95	87	Electric 1/pe 1973	87	-	3.76	6.53	-	-
100	97	Treasury Spec 1980	100	-	9.00	5.95	-	-
91	85	Funding Spec 1982	85	-	2.05	7.79	-	-
107	95	Exchequer Spec 1982	95	-	5.54	5.95	-	-
100	95	Electric 1/pe 1972	95	-	3.44	5.92	-	-
101	95	Treasury Spec 1981	95	-	9.71	5.60	-	-
102	95	Funding Spec 1982	95	-	3.58	5.60	-	-
115	105	Treasury 1/pe 1981	105	-	3.49	10.71	-	-

Shorts Lives up to Five Years

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CANADIANS

Stock

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